

# U.S. FUNDING FOR IRAQ RECONSTRUCTION



section

# 2a

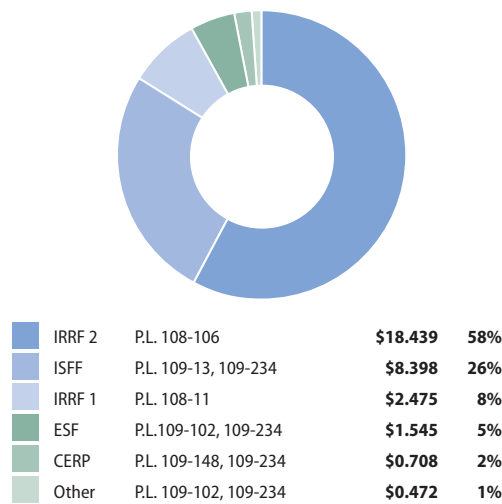
## U.S. FUNDING FOR IRAQ RECONSTRUCTION

Pursuant to Public Law (P.L.) 108-106, Section 3001 (as amended), SIGIR reports on the oversight of and accounting for U.S. taxpayer funds expended on Iraq’s relief and reconstruction. In December 2006, P.L. 109-364 expanded SIGIR’s oversight to include all funds made available for FY 2006 for the reconstruction of Iraq. Figure 2.2 shows the total funding under SIGIR’s oversight authority.

The U.S. reconstruction program in Iraq now totals \$45.429 billion. Nearly half of this funding went to the IRRF, of which only about 12% remains for expenditure. Figure 2.3 shows a timeline for all major U.S. funds appropriated for relief and reconstruction to date.

Figure 2.2

**SUMMARY OF SIGIR OVERSIGHT**  
\$ Billions, % of \$32.037 Billion  
Sources: P.L. 108-106, P.L. 109-13, P.L. 109-234, P.L. 109-102, P.L. 108-11, P.L. 109-148

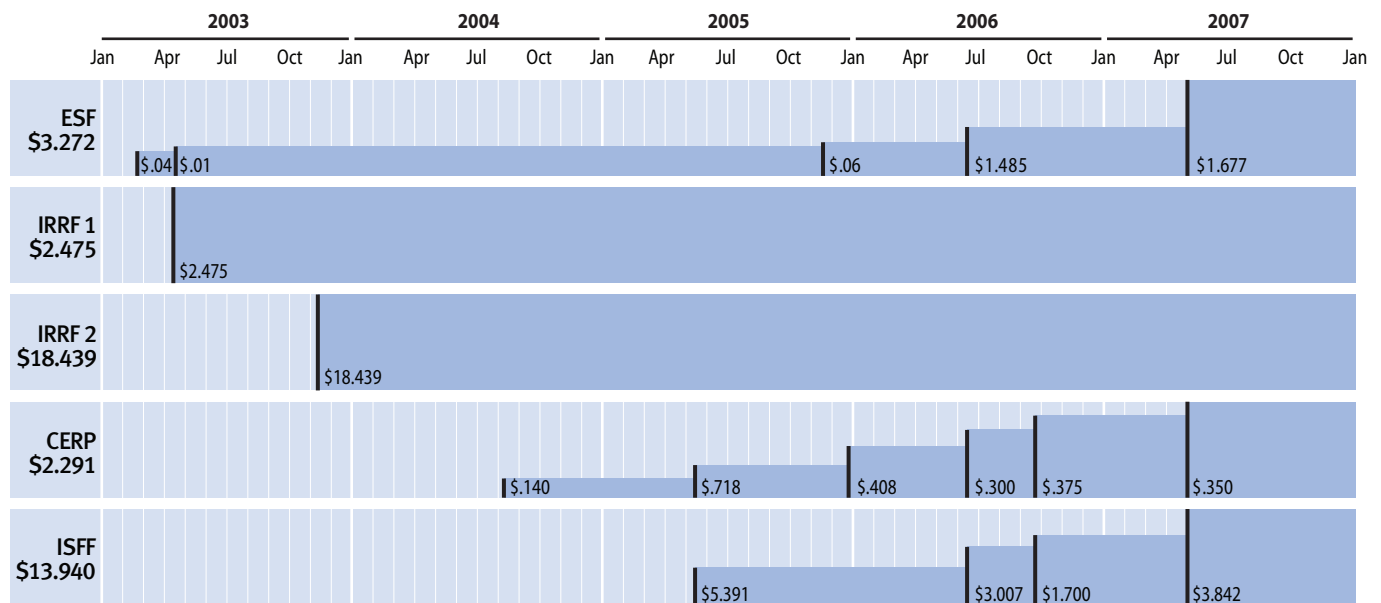


CERP = Commander’s Emergency Response Program  
IRRF 1 & 2 = Iraq Relief and Reconstruction Fund  
ISFF = Iraq Security Forces Fund  
ESF = Economic Support Fund  
P.L. = Public Law

# U.S. FUNDING FOR IRAQ RECONSTRUCTION

Figure 2.3

**TIMELINE OF U.S. APPROPRIATIONS (ALLOCATIONS BY DATE)**  
\$ Billions



In addition to the appropriations shown in Figure 2.3, the Congress has finalized the FY 2007 funding levels. This included \$201.34 million in additional reconstruction dollars:

- \$122.80 million for the ESF
- \$20.05 million for the Bureau of International Narcotics and Law Enforcement Affairs (INL)
- \$20.00 million for Migration and Refugee Assistance
- \$38.49 million in other reconstruction funds

Table 2.1 provides the status of the IRRF and identifies the primary funds associated with SIGIR's oversight, including the ISFF, ESF, CERP, and others.

Table 2.2 presents the most complete information available on the U.S. appropriations for Iraq relief and reconstruction, including 28 non-IRRF activities.

# U.S. FUNDING FOR IRAQ RECONSTRUCTION

## U.S. SUPPORT FOR IRAQ RECONSTRUCTION (BILLIONS)

U.S. FUND	APPROPRIATED	ALLOCATED	OBLIGATED	EXPENDED
IRRF 1	\$2.475	\$2.473	\$2.232	\$2.139
IRRF 2	18.439	18.322	17.671	16.230
<b>IRRF Total</b>	<b>\$20.914</b>	<b>\$20.795</b>	<b>\$19.903</b>	<b>\$18.369</b>
ISFF FY05	\$5.391	\$5.316	\$5.261	\$5.033
ISFF FY06	3.007	3.007	2.991	1.375
ISFF FY07	5.542	4.328	1.782	0.832
<b>ISFF Total</b>	<b>\$13.940</b>	<b>\$12.651</b>	<b>\$10.034</b>	<b>\$7.240</b>
ESF FY03	\$0.050	-	\$0.050	\$0.050
ESF FY06 Supplemental	1.485	1.485	1.077	0.238
ESF FY06, State	0.060	0.060	0.060	-
ESF FY07	1.554	1.554	1.045	0.005
ESF FY07, Continuing Resolution	0.123	0.105		
<b>ESF Total</b>	<b>\$3.272</b>	<b>\$3.204</b>	<b>\$2.232</b>	<b>\$0.293</b>
CERP FY04	\$0.140	-	0.030	0.030
CERP FY05	0.718	-	0.737	0.620
CERP FY06	0.708	-	0.465	0.458
CERP FY07	0.725	-	0.490	0.237
<b>CERP Total</b>	<b>\$2.291</b>	<b>-</b>	<b>\$1.722</b>	<b>\$1.345</b>
<b>Other Funding</b>	<b>\$5.012</b>	<b>\$0.261</b>	<b>\$0.132</b>	<b>\$0.001</b>
<b>Total U.S. Appropriated</b>	<b>\$45.429</b>	<b>\$36.911</b>	<b>\$33.284</b>	<b>\$26.983</b>

Sources: IRRF 1 and 2: Allocated, Obligated, and Expended figures all from DoS, *Iraq Weekly Status* (9/26/2007). ISFF FY 2005 - FY 2007: Allocated, Obligated, and Expended figures all from Corps of Engineers Financial Management System, ISFF Funds Execution Report (10/1/2007); DoD, Secretary of the Army Update (8/31/07). CERP FY 2004 - FY 2007: Obligated and Expended figures (no Allocated detail for CERP) all from IRMS, MNC-I *Quarterly Report* (9/30/2007). INL: Allocated, Obligated, and Expended figures all from INL, response to SIGIR data call (10/18/2007). ESF FY 2006 Supplemental: Allocated figures from ITAO, response to SIGIR data call (10/15/2007); USAID, response to SIGIR data call (10/17/2007). ESF FY 2006 Supplemental: Obligated and Expended figures from ITAO, response to SIGIR data call (10/15/2007); IRMS, ESF Cost to Complete (10/5/2007); USAID, *Activities Report* (10/15/2007). ESF FY 2007 Supplemental and CR: Allocated figures from ITAO, response to SIGIR data call (10/15/2007); USAID, response to SIGIR data call (10/17/2007). ESF FY 2007 Supplemental and CR: Obligated and Expended figures from IRMS, ESF Cost to Complete (10/5/2007); USAID, *Activities Report* (10/15/2007). ESF FY 2006 State: Allocated figures from ITAO, response to SIGIR data call (10/15/2007). ESF FY 2006 State: Obligated and Expended figures from DoS, *Section 2207 Report* (4/2007).

### Notes:

1. Numbers are affected by rounding.
2. CERP FY 2005 funding included Iraq and Afghanistan. The division of funds was the decision of CENTCOM and not called for in the law. Therefore, SIGIR is unable to entirely reflect transfers, de-obligations, and re-obligations.

TABLE 2.1

# U.S. FUNDING FOR IRAQ RECONSTRUCTION

IRRF 2 SECTOR UPDATE

FUNDING MECHANISM	PL 108-7	PL 108-11	PL 108-106	PL 108-287	PL 109-13	PL 109-102	PL 109-148	PL 109-234	PL 109-289	PL 110-28	U.S. TROOP READINESS, VETERANS' CARE, KATRINA RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT, 2007	2007 FOREIGN ASSISTANCE CONTINUING RESOLUTION	TOTAL APPROPRIATIONS
	20-Feb-03	16-Apr-03	6-Nov-03	5-Aug-04	11-May-05	14-Nov-05	30-Dec-05	15-Jun-06	29-Sep-06	25-May-07	FY 2007		
Iraq Relief and Reconstruction Fund (IRRF 2) <sup>a</sup>			\$18,439,000,000										\$18,439,000,000
Iraq Security Forces Fund (ISFF)					\$5,391,000,000			\$3,007,000,000	\$1,700,000,000	\$3,842,300,000			\$13,940,300,000
Economic Support Fund (ESF) <sup>b</sup>	\$40,000,000	\$10,000,000				\$60,390,000		\$1,485,000,000		\$1,554,000,000	\$122,800,000		\$3,272,190,000
Iraq Relief and Reconstruction Fund (IRRF 1)		\$2,475,000,000											\$2,475,000,000
Commander's Emergency Response Program (CERP)				\$140,000,000	\$718,000,000		\$408,000,000	\$300,000,000	\$375,000,000	\$350,000,000			\$2,291,000,000
Project and Contracting Office <sup>c</sup>								\$200,000,000		\$790,082,000			\$990,082,000
Coalition Provisional Authority (CPA) <sup>d</sup>			\$908,000,000										\$908,000,000
Diplomatic and Consular Programs					\$49,659,000	\$56,908,000				\$750,000,000			\$856,567,000
Natural Resources Risk Remediation Fund (NRRRF)		\$489,300,000											\$489,300,000
Department of State, International Narcotics Control and Law Enforcement (DoS/INL)		\$20,000,000						\$91,400,000	\$150,000,000	\$20,048,000			\$281,448,000
Democracy Fund (State)									\$250,000,000				\$250,000,000
New Iraqi Army <sup>e</sup>				\$210,000,000									\$210,000,000
International Disaster and Famine Assistance		\$143,800,000							\$45,000,000	\$5,000,000			\$193,800,000
Iraq Freedom Fund (Reconstruction and Rehabilitation only) <sup>f</sup>			\$75,000,000					\$24,000,000	\$35,000,000				\$150,000,000
Special Inspector General for Iraq Reconstruction (SIGIR)													\$134,400,000
USAID Administrative Expenses		\$21,000,000			\$24,400,000			\$79,000,000					\$124,400,000
Child Survival and Health Programs Fund		\$90,000,000							\$90,000,000				\$90,000,000
P.L. 480 Title II Food Aid		\$68,000,000											\$68,000,000
Migration and Refugee Assistance									\$45,000,000	\$20,000,000			\$65,000,000
Voluntary Peacekeeping Operations		\$50,000,000											\$50,000,000
Emergency Refugee and Migration Assistance <sup>g</sup>		\$37,000,000											\$37,000,000
Education and Cultural Exchange Programs									\$20,000,000				\$20,000,000
Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR)									\$7,000,000	\$12,350,000			\$19,350,000
Overseas Humanitarian, Disaster and Civic Aid			\$17,000,000										\$17,000,000
Defense Contract Audit Agency (DCAA)									\$16,372,000				\$16,372,000
International Affairs Technical Assistance								\$13,000,000	\$2,750,000				\$15,750,000
United States Agency for International Development, Office of Inspector General (USAID OIG)		\$3,500,000	\$1,900,000		\$2,500,000				\$2,500,000				\$10,400,000
DoD Office of the Inspector General								\$5,000,000					\$5,000,000
Combatant Commander Initiative Fund (CINC Initiative Fund)		\$3,612,000											\$3,612,000
Department of State, Office of Inspector General								\$1,000,000					\$2,300,000
Department of Justice, litigation support						\$693,000				\$1,648,000			\$1,648,000
International Military and Education Training (IMET)											\$1,138,000		\$1,831,000
Legal Activities and U.S. Marshals Salaries and Expenses								\$1,000,000					\$1,000,000

Notes:

<sup>a</sup> \$18,439 billion represents the amount appropriated by Congress for Iraq programs in IRRF 2 under P.L. 108-106, enacted in November 2003. Congress had initially appropriated \$18.649 billion to IRRF 2, but also earmarked that \$210 million be transferred to other accounts for program administration, and \$18,439 billion to IRRF 2. The administration transferred out of the IRRF to other accounts \$18,439 billion for Iraq reconstruction programs that could be implemented through other accounts, such as \$350 million from the DoS Economic Support Fund account.

<sup>b</sup> \$40M from FY 2003 ESF base account that was not reimbursed; \$10M from P.L. 108-11.

<sup>c</sup> Per conference reports for P.L. 109-234 and P.L. 110-28, reconstruction support funding is provided for Project and Contracting Office activities.

<sup>d</sup> Excludes \$75M for Special Inspector General for Iraq Reconstruction under P.L. 108-106.

<sup>e</sup> Where Iraq-only appropriations unavailable, based on historical trends SIGIR split 85% for Iraq and 15% for Afghanistan.

<sup>f</sup> P.L. 110-28 conference report includes \$50M in drawdown authority for a task force to improve business and stability operations in Iraq and \$100M to help DoD defray the administrative/security costs of helping support Provincial Reconstruction Teams as identified in 110-28 conference report. Includes Iraq reconstruction efforts for civilian personnel, temporary/additional duty, and miscellaneous contracts.

TABLE 2.2

Contracts

SIGIR designed and built the SIGIR Iraq Reconstruction Information System (SIRIS) in 2005 to serve as a repository for all project, contract, and funding data on Iraq reconstruction. SIRIS is not a transaction-based system, but rather a warehouse of reconstruction data collected from all of the organizations authorized to obligate funds from the IRRF, ISFF, ESF, and CERP.

SIRIS contains more than 15,000 contracting actions funded by the IRRF, ISFF, and ESF. At

a contract level, SIRIS can account for approximately 81% of total IRRF 2 obligations, more than 91% of ESF obligations, and almost 98% of ISFF obligations. Since the July 2007 Quarterly Report, SIRIS has recorded 2,287 contracting actions.

Table 2.3 shows the obligated and expended values for IRRF, ISFF, and ESF contracting actions recorded in the SIRIS.<sup>13</sup>

SIRIS CONTRACTING ACTIONS, AS OF 10/19/07 (BILLIONS)

	OBLIGATED	EXPENDED
ISFF	\$9.798	\$7.153
IRRF 2 GRD Construction	\$7.496	\$6.622
IRRF 2 GRD Non-construction	\$3.953	\$3.773
IRRF 2 USAID	\$2.911	\$2.819
ESF GRD	\$0.597	\$0.091
ESF USAID	\$1.478	\$0.141

TABLE 2.3

## IRAQ SECURITY FORCES FUND (ISFF)

In 2005, the Congress established the Iraq Security Forces Fund (ISFF). The Commander of the Multi-National Security Transition Command-Iraq (MNSTC-I)<sup>14</sup> uses the ISFF to provide assistance to the Iraqi Security Forces (ISF), “including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding.”<sup>15</sup>

The Congress appropriated \$13.94 billion to this fund through four appropriations:

- \$5.39 billion for ISFF I (P.L. 109-13 in 2005)
- \$3.007 billion for ISFF II (P.L. 109-234<sup>16</sup> in 2006)
- \$5.54 billion for ISFF III (P.L. 109-289 in 2006 and P.L. 110-28 in 2007)

Today, the ISFF complements Iraq’s budgets for the Ministries of Defense and Interior in building the Iraqi Security Forces’ (ISF’s) capabilities.<sup>17</sup> In addition to supporting a variety of programs within the Ministries, the fund also finances “other” activities, including work for prosthetics clinics, a quick-impact program for

training and equipping the ISF, detainee issues, and disarmament, demobilization, and reintegration activities.<sup>18</sup>

Figure 2.4 is a flowchart from SIGIR’s “Fact Sheet on Sources and Uses of U.S. Funding Provided in Fiscal Year 2006 for Iraq Relief and Reconstruction,” released on July 27, 2007. It provides visual details about the ISFF appropriation and obligation processes.

As of October 1, 2007, approximately 72% of the ISFF had been obligated and about 52% had been expended. For the status and allocations of all ISFF funds, see Figure 2.5.

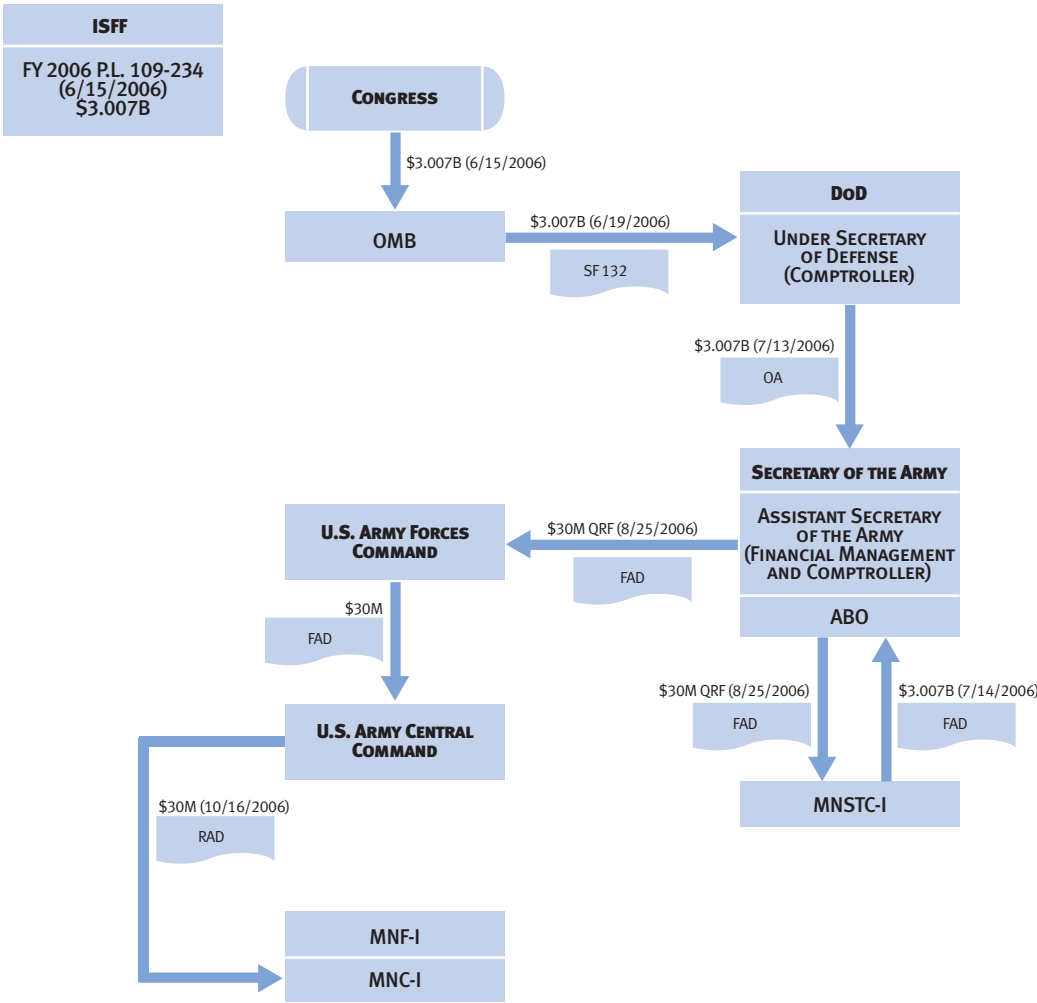
### Funding Uses

ISFF projects and programs contribute to the development of the Iraqi Security Forces, coordinating with the Ministry of Defense (MOD) and Ministry of Interior (MOI), through these sub-activity groups:

- Training and Operations
- Equipment and Transportation
- Sustainment
- Infrastructure

Figure 2.4

**FLOW OF IRAQ SECURITY FORCES FUND (ISFF), P.L. 109-234**  
Sources: Office of Management and Budget; Assistant Secretary of the Army (Financial Management and Comptroller), Army Budget Office; Multi-National Security Transition Command-Iraq



ABO Army Budget Office  
B Billion  
FAD Funding Authorization Document  
M Million  
OA Obligation Authority  
RAD Resource Allocation Document  
SF 132 Apportionment and Reapportionment Schedule  
QRF Quick Response Fund, part of the ISFF

Note: Dates represented are the initial transmittal dates of funds apportioned or allotted for each action, and do not necessarily represent an action for the total amount of funds.

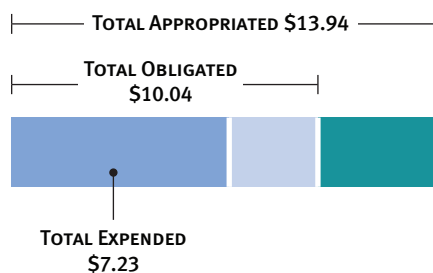


Figure 2.5

**STATUS OF ISFF FUNDS**

\$ Billions

Sources: P.L. 109-13; P.L. 109-234; P.L. 109-289; P.L. 110-28; Corps of Engineers Financial Management System, ISFF Funds Execution Report (10/1/2007); DoD, Secretary of the Army Update (8/31/2007)

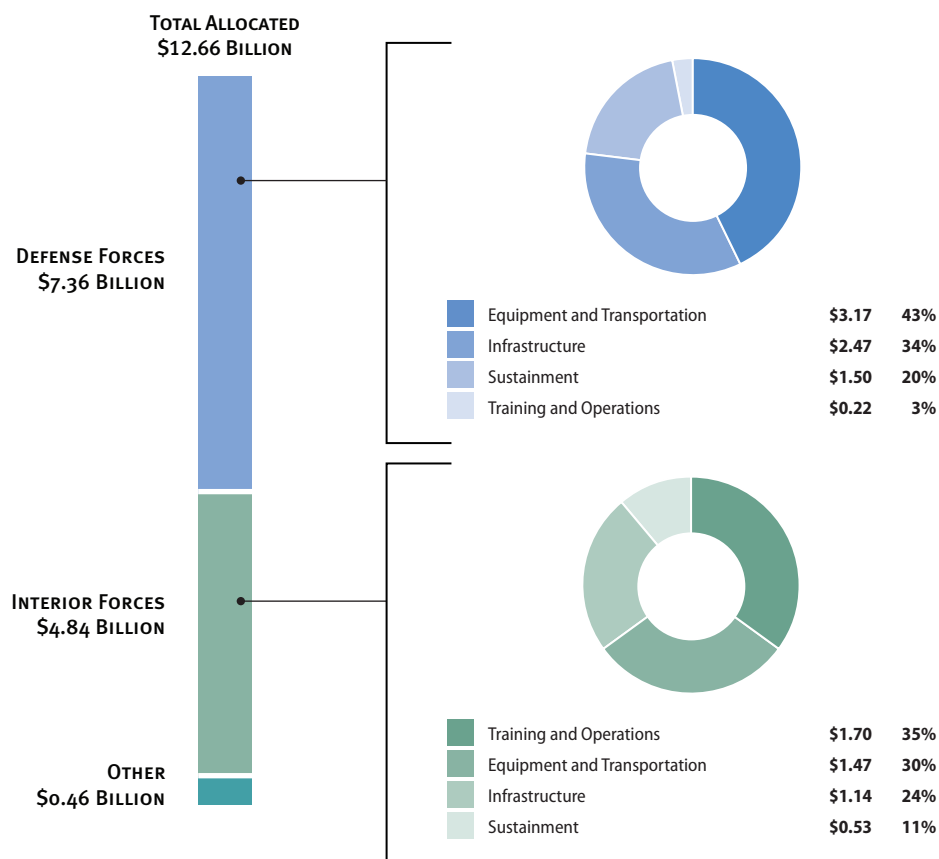


Note: Numbers are affected by rounding.

**ALLOCATIONS OF ISFF FUNDS**

\$ Billions

Source: Corps of Engineers Financial Management System, ISFF Funds Execution Report (10/1/2007)



## Notes:

1. Numbers are affected by rounding.

2. Source for Quick Response Fund data is DoD, Secretary of the Army Update (8/31/2007)

The MOD received 53% of total appropriated ISFF funds, while the MOI received 35%.

Funds for equipment and transportation comprise 43% of MOD allocations, while the largest category of ISFF funding for the MOI is for training and operations programs (35%).

FY 2007 ISFF has provided a range of items for MOD and MOI, including weapons, ammunition, vehicles, body armor, radar systems, communications equipment, counter-IED devices, bomb disposal equipment, and medical materiel.<sup>19</sup> The ISFF also provides funding for

sustainment, infrastructure, and a range of services within the four sub-activity groups. Table 2.4 gives a snapshot of ISFF activities for the MOD and MOI.

The United States continues to transition funding requirements to the Iraqis. MNSTC-I recently informed MOD and MOI that the Coalition would cease to fund life support contracts at eight MOI training locations and eight run by the MOD.<sup>20</sup>

#### ISFF ACTIVITIES (\$ BILLIONS)

	MINISTRY OF DEFENSE	MINISTRY OF INTERIOR	DEFENSE ISFF	INTERIOR ISFF
Training and Operations	IT, Equipment, and Service; Contracted Instructor Support; Communication Equipment and Service	Contracted Instructor Support; Bomb Disposal Equipment	\$0.15	\$1.36
Equipment and Transportation	Vehicles, Generators, and Repair Parts; Aircraft Support; Unit and Individual Equipment	Vehicles, Generators, and Repair Parts; Contracted Transportation	\$1.56	\$0.42
Sustainment	Contracted Life Support Services; Contracted Maintenance	Contracted Life Support Services	\$0.62	\$0.27
Infrastructure	Iraqi Army Divisions; Iraqi Army Miscellaneous	Iraqi Police Service; Ministry of Interior Miscellaneous	\$1.37	\$0.56
<b>Total</b>			<b>\$3.70</b>	<b>\$2.61</b>

Source: MNSTC-I, Section 3303 funding June 30, 2007 Report, received August 26, 2007.

Note: ISFF funds other activities that are not specifically allocated by ministry, including funding for prosthetics, DDR, Quick Response Fund, and detainee issues. IT, Equipment, and Service includes computers, network service contracts, and other equipment, such as printers, copiers and scanners. Contracted Instructor Support includes advisors to the Government of Iraq and instructors for various military and police programs. Communication Equipment and Service includes phone service contracts, cellular phones, hand-held radios, vehicle radios, etc. Vehicle, Generators, and Repair Parts includes costs for all vehicles and generators and the majority of the repair parts that support them. Contracted Transportation includes the cost to move equipment and supplies to Iraq and within theater. Aircraft Support includes aircraft purchase costs, repair parts, technology, and other equipment. Unit and Individual Equipment includes costs for armor, night vision, uniforms, helmets, and Global Positioning Systems. Bomb Disposal Equipment refers to equipment and gear destined for bomb disposal schools. Contracted Maintenance includes repair costs of vehicles, aircraft, machinery, air conditioners, and generators. Funding for the Iraqi Police Service includes infrastructure requirements for police stations.

TABLE 2.4

## ISFF Contractors, Programs and Projects

In an effort to identify the top ten ISFF contractors by dollar amount, SIGIR consulted three sources of information—MNSTC-I, JCC-I/A, and SIRIS.<sup>21</sup> SIGIR then compared the three lists and found serious discrepancies:

- Only one contractor appeared on all three lists.
- The MNSTC-I list accounted for approximately \$438 million, the JCC-I/A list accounted for approximately \$887 million, and the SIRIS list accounted for approximately \$2.47 billion.
- Many line items in the SIRIS source data do not identify a contractor; 376 line items (totaling more than \$3 billion in obligations) do not report a contractor name. Three of these line items are of such high value that they appear on the top ten

contractor list, but without a contractor name. Instead, they are listed by the agency awarding the contract (shown below in italics). Of those, the two highest value line items are contracted to INL support, based on the item description in the source data. The third highest value item is contracted to DoD for the Defense Security Cooperation Agency (DSCA).

SIGIR concluded that SIRIS provides the most complete record of ISFF contractors.

Table 2.5 shows the top ten ISFF contractors by obligated funds as listed in SIRIS.

SIGIR will continue its efforts to identify the top ten ISFF contractors based on the most complete ISFF data possible. SIGIR will work with MNSTC-I to report this information next quarter.

### TOP TEN ISFF CONTRACTORS

	OBLIGATED	EXPENDED
<i>Contract to DoS for INL Support</i>	\$696	\$696
Environmental Chemical Corporation	\$665	\$410
AECOM, Government Services, Inc.	\$414	\$348
<i>Contract to DoS for INL Support</i>	\$386	\$386
Tetra International, LLC	\$249	\$168
Toltest, Inc.	\$231	\$148
Iraqi Contractor - 5300	\$226	\$156
<i>Contract to DoD for DSCA</i>	\$224	\$224
Innovative Technical Solutions, Inc.	\$212	\$127
URS Group, Inc.	\$192	\$43

Source: USACE, response to SIGIR data call, September 30, 2007.  
Note: Numbers are affected by rounding.

TABLE 2.5

## CONSTRUCTION PROJECTS

The Air Force Center for Engineering and the Environment (AFCEE) has awarded approximately 90% of the ISFF construction contracts on behalf of MNSTC-I. USACE-GRD manages the remaining ISFF contracts.

AFCEE administers 492 projects comprising a regionally diverse range of police facilities, corrections facilities, and forward operating bases. AFCEE contracts for a variety of construction activities, using predominantly local national workers.<sup>22</sup>

GRD administers 86 ISFF-funded projects, ranging in value from \$25,000 to \$17 million. As of October 4, 2007, GRD has completed construction on 46 of 60 projects and awarded 7 projects that have yet to start; 19 remain in the planning stage.<sup>23</sup>

MNSTC-I is actively engaged in transferring completed facilities to Iraqi control. Of 254 defense facilities finished before April 2007, 73 (29%) have been accepted by Iraqi authorities. Of the 19 facilities completed since April 2007, 10 (53%) have been transferred. MNSTC-I reports that bilateral and unilateral transfer options are being planned.<sup>24</sup> The problems encountered by MNSTC-I in asset transfer echo those identified by SIGIR's asset transfer audit issued last quarter.

## NON-CONSTRUCTION PROGRAMS

MNSTC-I has modified the use of the ISFF to train, equip, and sustain Iraqi security forces to meet the changing nature of Iraq's requirements.<sup>25</sup> The provision of sustainment services—which is largely contracted out—now accounts for a substantial portion of ISFF obligations.

### EQUIPMENT AND TRANSPORTATION FUNDED BY THE ISFF, MINISTRY OF INTERIOR (MILLIONS)

	FY 2005	FY 2006	FY 2007	TOTAL
Vehicles, Generators, and Repair Parts	\$143.2	\$84.5	\$9.3	\$237.0
Unit and Individual Equipment	86.0	41.4	15.9	143.3
Contracted Transportation	29.1	150.0	0.0	179.1
Vehicle Up Armor and Counter Measure Modifications <sup>a</sup>	16.7	12.7	10.4	39.8
<b>Total</b>	<b>\$275.0</b>	<b>\$288.6</b>	<b>\$35.6</b>	<b>\$599.2</b>

Source: MNSTC-I, Section 3303 funding, June 30, 2007 Report, received August 26, 2007.

Notes: Numbers are affected by rounding.

<sup>a</sup>Vehicle Up Armor and Counter Measure Modifications refers to additional costs to vehicles, including counter measures.

TABLE 2.6

## EQUIPMENT AND TRANSPORTATION FUNDED BY THE ISFF, MINISTRY OF DEFENSE (MILLIONS)

	FY 2005	FY 2006	FY 2007	TOTAL
Aircraft Support	\$56.3	\$27.0	\$130.3	\$213.6
Vehicles, Generators, and Repair Parts	968.9	118.2	37.8	1,124.9
Unit and Individual Equipment	142.6	58.3	21.6	222.5
Contracted Maintenance	79.3	0.0	0.0	79.3
Contracted Transportation	52.3	40.3	1.4	94.9
Weapons and Accessories	0.6	19.8	14.5	34.9
Vehicle Up Armor and Counter Measure Modifications	6.5	0.0	32.4	38.9
<b>Total</b>	<b>\$1,307.4</b>	<b>\$263.6</b>	<b>\$238.0</b>	<b>\$1,809.0</b>

Source: MNSTC-I, Section 3303 funding, June 30, 2007 Report, received August 26, 2007.

Note: Numbers are affected by rounding.

Table 2.7

### Equipment, Transportation, and Sustainment

As shown in Table 2.6 and Table 2.7, early ISFF equipment and transportation outlays addressed the immediate requirements of the nascent security force, which included vehicles, unit and individual equipment needs, and transportation maintenance. Although some level of primary equipment support continues, air support, up-armor, and other equipment countermeasures have begun to consume a growing share of equipment outlays.

### Sustainment

Similarly, early ISFF allocations for sustainment activities reflect the limited capacity of the ISF to maintain life support and operations and maintenance systems. The ability of the MOD and the MOI to maintain an effective logistics support capability has been the subject of reviews by SIGIR, GAO, and congressional bodies.<sup>26</sup> For a

breakdown of ISFF funding for sustainment by MOD and MOI, see Table 2.8 and Table 2.9

### Training

DoD observed recently that “the principal impediment causing the delay in transitioning security to Iraqi control is a lack of capability in the Iraqi Police Service (IPS), which prevents them from being able to manage the provincial security situation.”<sup>27</sup> MOI training programs funded by the ISFF have been targeted to address the requirements of the Iraqi police. For the total numbers of ISF personnel trained over time, see Figure 2.6.

### *Iraqi Police*

The ISFF is used to hire advisors who mentor, evaluate, and advise the Iraqi police and border enforcement officers, often in partnership with the U.S. military in police training teams.<sup>28</sup>

### SUSTAINMENT FUNDED BY THE ISFF, MINISTRY OF INTERIOR (MILLIONS)

	FY 2005	FY 2006	FY 2007	TOTAL
Contracted Life Support Services	\$211.7	\$53.4	\$0.0	\$265.1
Contracted Maintenance	0.0	13.3	0.0	13.3
Information Technology, Equipment, and Service	0.0	11.9	0.1	12.0
<b>Total</b>	<b>\$211.7</b>	<b>\$78.6</b>	<b>\$0.1</b>	<b>\$290.4</b>

Source: MNSTC-I, Section 3303 funding, June 30, 2007 Report, received August 26, 2007.  
Note: Numbers are affected by rounding.

TABLE 2.8

### SUSTAINMENT FUNDED BY THE ISFF, MINISTRY OF DEFENSE (MILLIONS)

	FY 2005	FY 2006	FY 2007	TOTAL
Contracted Life Support Services	\$113.9	\$64.8	\$12.8	\$191.5
Contracted Maintenance	195.7	64.0	166.1	425.8
Contracted Security	63.8	19.4	18.9	102.1
Unit and Individual Equipment	56.2	0.0	0.0	56.2
Information Technology, Equipment and Service	1.6	0.2	21.2	21.4
<b>Total</b>	<b>\$431.2</b>	<b>\$148.4</b>	<b>\$219.0</b>	<b>\$798.6</b>

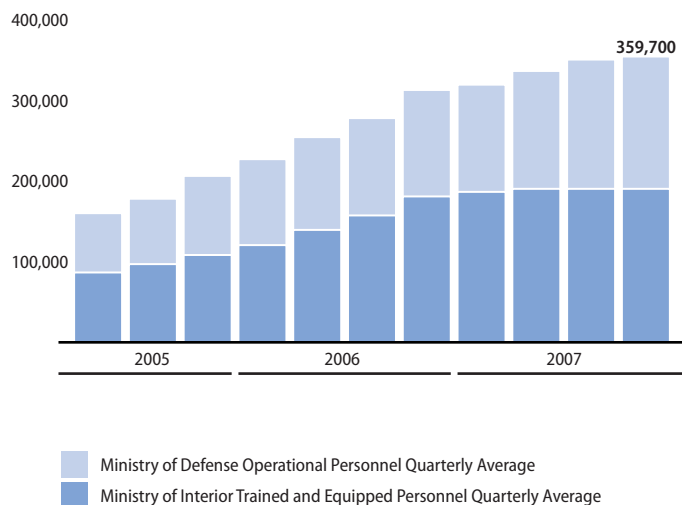
Source: MNSTC-I, Section 3303 funding, June 30, 2007 Report, received August 26, 2007.  
Note: Numbers are affected by rounding.

TABLE 2.9

Figure 2.6

#### TRAINED IRAQI SECURITY FORCES

Source: DoD, *Measuring Stability and Security in Iraq* (July 2005 - September 2007);  
DoS, *Iraq Weekly Status* (January 2005 - October 2007)



Funding for these programs comes from three entities—ISFF-supported Civilian Police Assistance Training Team (CPATT) programs, Iraq's Ministry of Interior, and the Kurdistan Regional Government (KRG) Ministry of Interior.

The United States and MOI funded 258 police training programs between June and October

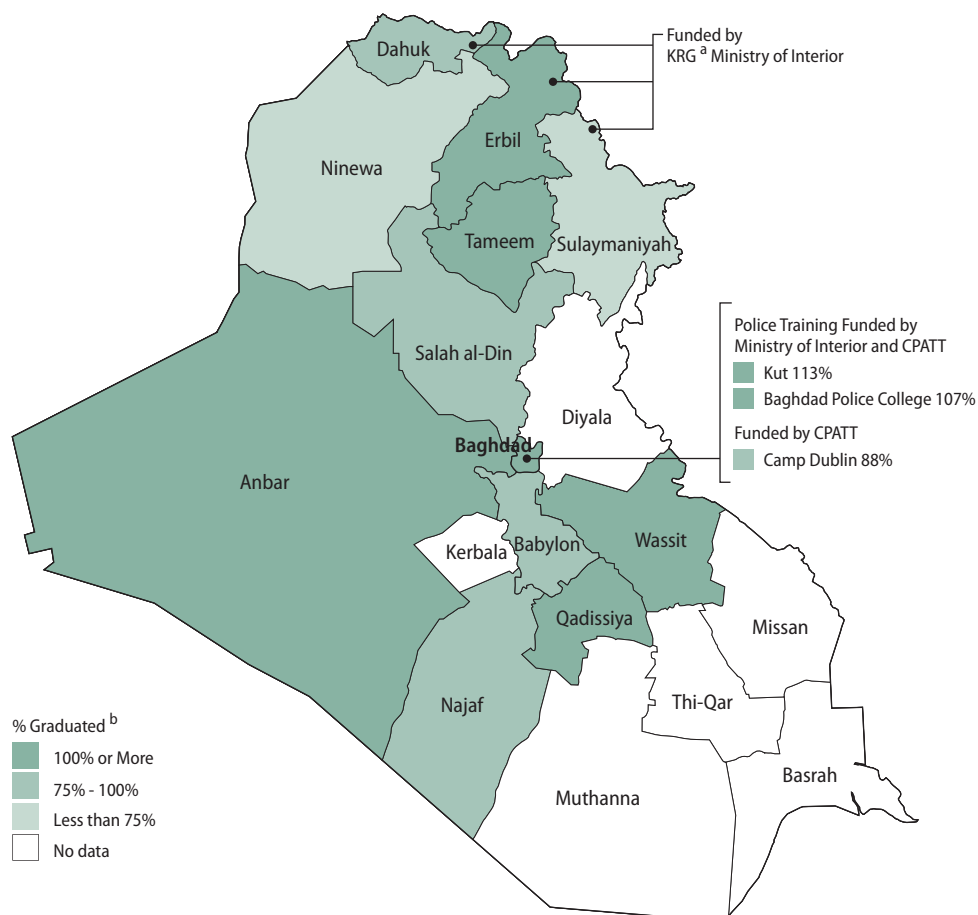
2007.<sup>29</sup> Nearly 34,900 recruits are scheduled to complete the programs by the end of November 2007.<sup>30</sup>

This quarter, 9,764 recruits graduated from the IPS basic recruit training, and 5,051 are currently enrolled in the program. Regarding the National Police (NP), approximately 1,140 Iraqis

Figure 2.7

**IRAQI POLICE TRAINING PROGRAMS - GRADUATES (JUNE 2007 - SEPTEMBER 2007)**

Source: MNSTC-I, Response to SIGIR Data Call (10/9/2007)



**Notes:**

a. KRG refers to Kurdistan Regional Government

b. Percentages reflect the ratio of actual training graduates to anticipated program goals.

graduated from basic recruit training and 438 from specialized training. Approximately 1,735 NP recruits have enrolled in NP basic training, and 722 in specialized training courses.<sup>31</sup> For police training programs, by location, see Figure 2.7.

The United States has begun a four-part special training series to improve the NP. The first phase, completed in May 2007, was an evaluation of police operations, including battalion inspections and leadership assessments.<sup>32</sup> The second phase, still being conducted as of mid-October 2007, focuses on retraining every national police brigade.<sup>33</sup> This process is called “re-bluing” and is the latest phase in a Coalition effort to reform Iraq’s NP.

The September 2007 report by the Independent Commission on the Security Forces of Iraq, headed by retired General James L. Jones, recommended that the NP be eliminated because of militia infiltration.<sup>34</sup> The Commission noted that sectarianism, sparse leadership, and operational ineffectiveness threatened the viability of the NP.<sup>35</sup> The “re-bluing” is an attempt to reconstitute the NP into a meaningful security force.

#### *Iraqi Army*

Training activities for Iraq’s Army are occurring at regional, divisional, and combat training centers. Iraqis manage and fund 23 courses in basic

combat training, military occupational specialty qualification (MOSQ) training, leadership training, and other specialties.<sup>36</sup> Basic combat training and MOSQ training are conducted in 9 locations, leadership training at 13 locations, and specialty training at 10 locations.

Seven training cycles were planned in 2007 for basic combat training, MOSQ, and the non-commissioned officer education system. As of October 2007, six of the cycles were completed, and two additional training cycles had been added to meet new force generation requirements. CMATT estimates that all nine cycles will be completed by early January 2008.<sup>37</sup>

Courses underway at the Iraqi Army Services and Support Institute in Taji focus on developing logistics, transport, maintenance, and administrative capabilities for more than 1,000 trainees. By mid-October, between 7,000 and 7,700 soldiers are expected to complete specialized weapon training, and CMATT anticipates that 10,000 will complete initial training by the end of 2007.<sup>38</sup>

The Coalition has undertaken a variety of steps to strengthen Iraq’s Army, embedding transition teams and expanding funding to increase the number of Iraqi soldiers.<sup>39</sup>



## COMMANDER'S EMERGENCY RESPONSE PROGRAM (CERP)

In May 2003, the Coalition Provisional Authority (CPA) formalized the CERP, authorizing field commanders to use available funds to respond to urgent humanitarian, relief, and reconstruction requirements within the commander's area of responsibility by executing programs that immediately assist indigenous populations and achieve "focused effects."

Initial funding for the CERP came from seized Iraqi assets and the Development Fund for Iraq (DFI). By late 2003 the United States began to appropriate U.S. dollars to the CERP. Since 2003, the Congress has appropriated nearly \$2.29 billion to the CERP.

In November 2003, the Congress passed P.L. 108-106, allowing more flexible contracting regulations for CERP funds and leaving regulation of the funds to DoD. The Multi-National Corps-Iraq (MNC-I) became the overall program coordinator for the CERP. Its major subordinate commanders have approval authority of up to \$500,000.

Commanders prioritize projects in coordination with PRTs, the provincial governors, and Provincial Reconstruction Development Committees (PRDCs). PRDCs are province-based committees of Iraqi officials who select projects in their area.

CERP projects are chosen based on how quickly they can be executed, the calculated

benefit for affected Iraqis (including short- and long-term employment), and the visibility of the project.<sup>40</sup> Most CERP funds have been used for projects that improve water and sanitation, electricity, and civic cleanup. With the exhaustion of the IRRF, CERP now plays a larger role in the reconstruction effort, especially in the essential services sectors.

CERP project spending continues to increase in Iraq. Figure 2.8 shows the status of these funds.

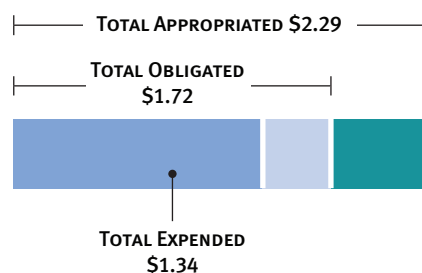
Figure 2.9 is a flowchart from SIGIR, the "Fact Sheet on Sources and Uses of U.S. Funding Provided in Fiscal Year 2006 for Iraq Relief and Reconstruction," released on July 27, 2007, showing the CERP funding process.

Figure 2.8

### STATUS OF CERP FUNDS

\$ Billions

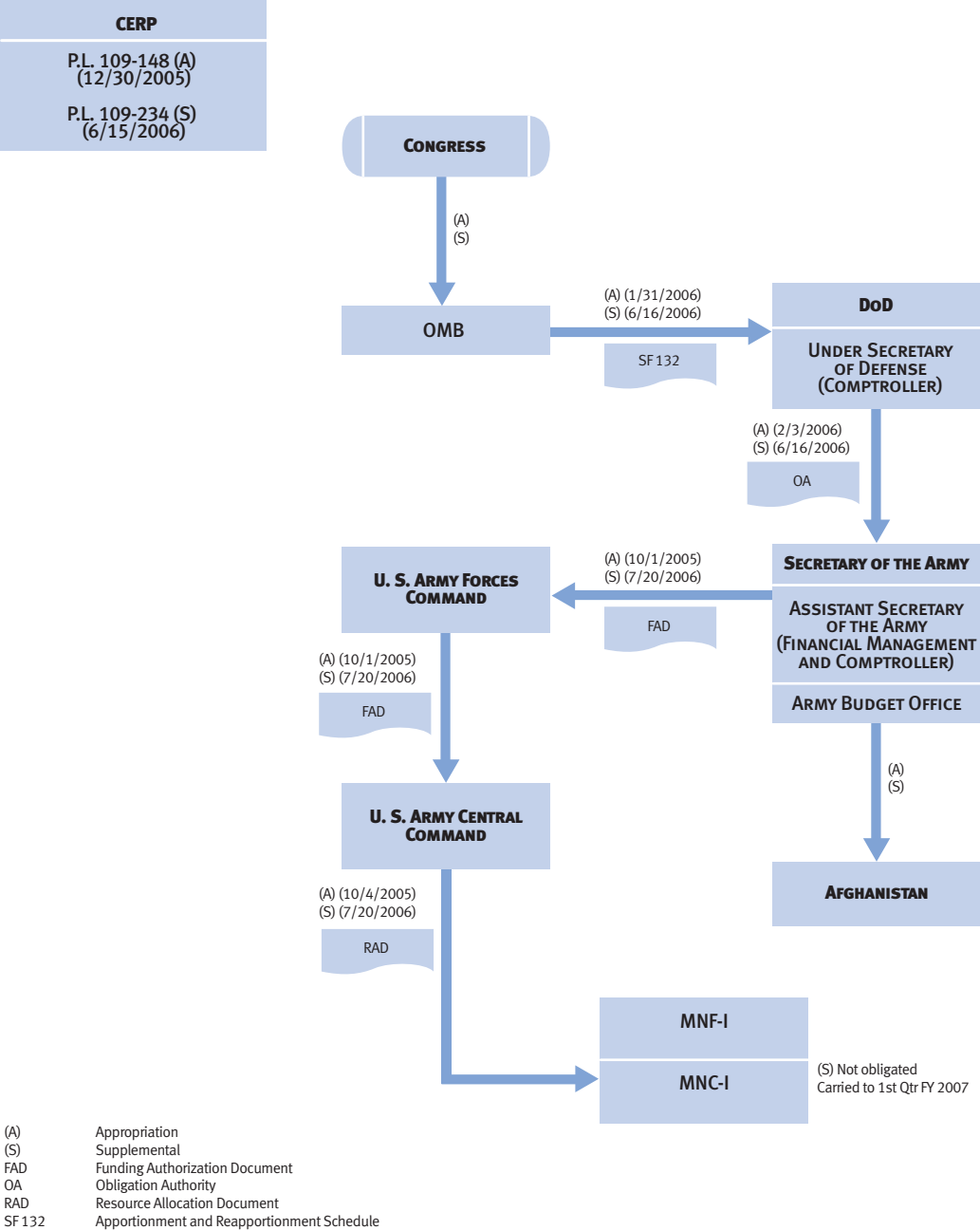
Sources: P.L.108-287; P.L. 109-13; P.L. 109-148; P.L. 109-234; P.L. 109-289; P.L.110-28; IRMS, *MNC-I Quarterly Report (9/30/2007)*



Note: Numbers are affected by rounding.

Figure 2.9

**FLOW OF COMMANDER’S EMERGENCY RESPONSE PROGRAM (CERP) FUNDING FOR IRAQ**  
Sources: P.L. 109-148; P.L. 109-234; Office of Management and Budget; Assistant Secretary of the Army (Financial Management and Comptroller), U.S. Army Central Command; and the Multi-National Corps-Iraq



Funding Uses

Since 2004, the CERP has funded approximately 16,000 reconstruction and non-construction projects. The scope and obligations of CERP projects have grown since 2004. For CERP reconstruction projects, the average obligation has more than tripled since 2004—from an average of \$53,000 to more than \$170,000 in 2007.<sup>41</sup> Although the average obligation per project has risen, most CERP projects remain relatively small: 75% of projects in FY 2007 were valued at \$100,000 or less.<sup>42</sup>

Table 2.10 details the increase in average reconstruction and non-reconstruction

obligations.

The CERP has funded approximately \$39 million in condolence payments for Iraqis since 2004.<sup>43</sup> U.S. Brigade Commanders have approval authority to provide compensation up to \$2,500 for each injury or death and up to \$2,500 for each incidence of property damage.<sup>44</sup>

In April 2006, MNC-I extended the use of condolence payments to the families of members of the Iraqi Security Forces who die in direct support of U.S. and Coalition force operations. A general officer must authorize these payments.<sup>45</sup>

Since 2004, approximately 55% of CERP funds have been targeted for the Baghdad,

AVERAGE VALUE OF CERP PROJECTS BY FISCAL YEAR

	FY 2004	FY 2005	FY 2006	FY 2007 <sup>a</sup>
Average Reconstruction Obligations	\$53,882	\$139,994	\$165,885	\$172,959
Average Non-reconstruction Obligations	\$32,759	\$64,970	\$80,836	\$64,262


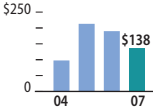

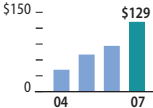

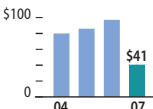

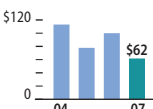
Note: Financial and project numbers are from the Iraq Reconstruction Management System (IRMS), a program management tool. IRMS is an unaudited source.  
<sup>a</sup> FY 2007 figures are representative of CERP obligations through September 30, 2007.

TABLE 2.10

Anbar, Diyala, and Salah al-Din provinces, four of the most violent provinces in Iraq.<sup>46</sup> Table 2.11 shows CERP use by the four governorates,

the change in average contract value for CERP project (by governorate), and the CERP funds allocated for condolence payments.

### CERP FUNDING BY PROVINCE\*

		MAJOR USES BY CATEGORY	AVERAGE PROJECT VALUE (\$ THOUSANDS) FY 2004 - FY 2007	CONDOLENCE PAYMENT ALLOCATION & USES
BAGHDAD		<ul style="list-style-type: none"> <li>Since 2004, CERP has budgeted \$750 million for projects in Baghdad.</li> <li>Water projects represent 43% of these funds, and electricity projects, approximately 12%.</li> </ul>		<ul style="list-style-type: none"> <li>Since 2004, CERP has budgeted approximately \$4 million in condolence payments for Baghdad.</li> <li>Budgeted CERP condolence payments in Baghdad increased from approximately \$721,000 in 2006 to \$1,900,000 in 2007.</li> </ul>
ANBAR		<ul style="list-style-type: none"> <li>Since 2004, CERP has budgeted \$287 million for Anbar.</li> <li>Water projects represent 20% of these funds, and electricity projects, 14%.</li> </ul>		<ul style="list-style-type: none"> <li>Since 2004, approximately 63% of CERP-funded condolence payments have been made for Anbar—more than \$22 million.</li> <li>Condolence payments represent 21% of the 3,695 CERP projects undertaken in Anbar since 2004.</li> </ul>
DIYALA		<ul style="list-style-type: none"> <li>Since 2004, CERP has budgeted \$105 million for Diyala.</li> <li>Water projects represent 31% of these funds. Transportation projects, such as road and bridge repair, represent 14% of these funds.</li> </ul>		<ul style="list-style-type: none"> <li>Total funds budgeted for condolence payments in Diyala have dropped every year since 2004—from \$630,000 in 2004 to \$130,000 in 2007.</li> <li>Approximately \$1.2 million has been budgeted for condolence payments in Diyala.</li> </ul>
SALAH AL-DIN		<ul style="list-style-type: none"> <li>Since 2004, CERP has budgeted \$150 million for projects in Salah al-Din.</li> <li>Water projects represent 21% of these funds, and transportation repairs, 15%.</li> <li>Education projects represent 12% of budgeted CERP work in this province.</li> </ul>		<ul style="list-style-type: none"> <li>Since 2004, nearly \$3 million has been budgeted for condolence payments in Salah al-Din.</li> <li>Condolence payments increased from approximately \$150,000 in 2004 to \$1.2 million in 2005. In 2006 and 2007, annual condolence payments decreased slightly from that peak.</li> </ul>

Source: GRD, IRMS, as of September 30, 2007. SIGIR has not audited or verified this data.

\*FY 2007 data is as of September 30, 2007.

TABLE 2.11

Table 2.12 lists CERP funds by strategic city. High per capita spending in Ramadi, Fallujah, and Baghdad represents the commanders' preferences to use CERP to complement coun-

terinsurgency efforts in those areas during the reporting period. U.S.-funded projects in strategic Iraqi cities focus on essential services, like electricity and water.

#### CERP FUNDING FOR STRATEGIC CITIES

CITY	POPULATION	APPROXIMATE AMOUNT BUDGETED	\$ US PER CAPITA	STATUS OF WATER INFRASTRUCTURE	STATUS OF ELECTRICITY INFRASTRUCTURE
Ramadi	100,000	\$51,500,000	\$510.00	Water distribution lines are connected to about 60% of the businesses and residences in Ramadi.	Estimated that Ramadi needs 400 MW, but gets only 20 MW on average.
Fallujah	200,000	\$74,500,000	\$370.00	Approximately 80% of the residents have serviceable water. Although technically capable treatment plants are constructed and operational, no chemicals are used to treat water. In addition, no homes have operational sewage lines. The city has a storm-water system. Many homes illegally connect sanitary sewers to the storm-water sewer system, which introduces large amounts of untreated sewage into the Euphrates River.	Electrical distribution lines are connected to about 80% of the homes and businesses in Fallujah. Security improvements have improved the supply of electricity into the city and increased reliability to the local private generator grid.
Baghdad	5,949,000	\$568,000,000	\$95.47	Water distribution lines are connected to about 30% of homes and businesses in Baghdad.	Currently, distribution lines are connected to about 75% of homes and businesses.
Najaf	482,000	\$23,800,000	\$49.37	Approximately 30% of the residences have potable water connections, and 40% have sewer lines connected.	Lines are connected to about 90% of homes and residences. Lines and transformers are old, worn out, and in need of repair.
Mosul	1,750,000	\$42,000,000	\$24.00	Approximately 60% of residences and businesses have access to potable water, and 40% have access to sewage lines.	About 80% of the homes have power approximately 10 hours per day.
Kirkuk	750,000	\$15,500,000	\$20.65	Kirkuk has no sewerage system, and citizens use septic tanks and open drainage into alleys and streets.	The goal is to provide a reliable supply of electricity to the businesses and residences in Kirkuk.
Samarra	200,000	\$2,700,000	\$13.50	The city has no operating water department to maintain or repair the existing system, which is 20% operational. There is no sewerage system in Samarra, and citizens use septic tanks and open drainage to alleys and streets.	The goal is to provide a reliable supply of electricity to 80% of the businesses and residences in Samarra.
Basrah	2,000,000	\$22,000,000	\$11.55	Approximately 75% of residences have water lines connected. However, potable water is collected in containers. Approximately 50% of homes have sewer lines connected.	Lines are connected to about 90% of homes and residences.
Ba'quba	500,000	\$3,500,000	\$7.00	The city pumps river water to the treatment facilities and then into the city via main water lines. Approximately 90% of Ba'quba has access to water.	The grid is not connected to most of the homes.
North Babil	320,000	\$1,800,000	\$5.63	Water lines are connected to about 25% of homes and businesses.	Electrical distribution lines are connected to about 80% of homes and businesses.

Notes: Population estimates and water and electricity infrastructure reports are based on GRD's *Bi-Weekly Strategic Cities Report*, September 25, 2007. Although a city may report that 75% of homes have potable water lines connected, the United States is unable to measure how much potable water actually reaches Iraqis. Source: Budgeted amounts taken from IRMS CERP Excel Workbook, September 30, 2007.

TABLE 2.12

## KEY CERP PROJECTS

The **Fallujah wastewater system project** comprises the main trunk pipeline and collection systems, pump stations, a wastewater treatment plant, and outfall and collection systems in three areas of the city. The project, now 34% complete, has been delayed by a poor security environment and the lack of payment by the GOI. Planned for completion in April 2008, this project will potentially serve 228,000 people in Fallujah City.

The **Mussayib Electrical Network, Mussayib Tank Farm, and Mussayib Gas Plant's Life Support and Security Contract** has the potential to add 450 MW to the grid and provide petroleum refining capability directly supporting power generation in Iraq.<sup>47</sup> GRD reports that the contractor has experienced difficulty in gaining local support. Community leaders have disagreed with the contractor on key issues of electrical line routing.

SIGIR inspectors visited four CERP projects this quarter and found them in generally good condition. In Ninewa province, SIGIR looked at a \$1.4 million CERP project to construct an 11-km road from Showairrej to Tak Harb; it appeared well planned and executed. According to MNC-I, the road connects three villages that were previously cut off from one another.<sup>48</sup>

SIGIR inspectors also visited the CERP-funded Bartilla Booster Pump Station in Ninewa province. The objective of the Booster Pump Station project was to repair the pump station to an output rate of 200 cubic meters per hour, so that it could potentially serve 10,000 people.<sup>49</sup> SIGIR found that the booster pump, although

apparently in good condition, was not operating during the visit. For summaries of these inspections, see Section 3 of this Report.

## Multi-National Corps-Iraq (MNC-I)

MNC-I publishes *Money as a Weapon System* (MAAWS), a policies and procedures manual that directs program execution and establishes the goals for CERP funding. The most recent version of this handbook—issued in June 2007—includes updates to the CERP program.

CERP guidance directs U.S. military commanders to focus funds on projects that improve water and sanitation, electricity, and civic cleanup and that employ the most Iraqis over an extended period of time. Also, purchasing officers are encouraged to use local Iraqi firms to conduct CERP projects.

MAAWS notes that the CERP has added a micro-grant component, providing financial assistance grants—ideally under \$5,000—to Iraqi entrepreneurs who specifically support local electricity producers.

MNC-I reports that “measuring the effects of a CERP project is often complex, difficult, and accomplished differently by the various battle space commanders.” In some cases, it obtains feedback from local governments and tribal sheiks to assess whether CERP projects are meeting the original requirements.<sup>50</sup> Depending on the security situation, a USACE Reconstruction Liaison Team (RLT) may conduct assessments at the project sites. During missions, unit patrols assess neighborhoods and note “physical

and human indicators” of projects.<sup>51</sup> Civil affairs teams also interact with the population and attempt to gauge anecdotal evidence of project effects.

Of concern to SIGIR was MNC-I’s observation that, when site visits or a full-effects analysis are not possible, it relies “on good faith that the work has been completed.”<sup>52</sup>

Commanders view the CERP as a useful tool because it streamlines the contracting process. However, because the CERP includes thousands of small projects designed to provide immediate effect, quality assurance oversight of the program is less robust than with other reconstruction programs.

## SIGIR Oversight

Next quarter, SIGIR will release an audit of CERP projects valued over \$400,000. This review will also address sustainment. CERP guidance covering standards of operation does not specifically address sustainment.

SIGIR previously identified the requirement for Iraqi institutions and provinces to take responsibility for the maintenance and

continued operations of infrastructure projects. There has been a growing recognition that the GOI is not yet effectively addressing the challenge of the near- and long-term management and funding of sustainment.

SIGIR underscored that problem in its asset transfer audit last quarter. Consequently, an integral part of all current reconstruction efforts—including CERP—is ensuring that the Iraqis plan to sustain completed projects with the requisite financing.

The major subordinate commands (MSCs) have realized varying degrees of success in incorporating sustainment into the planning and execution of the CERP projects. When coordination occurs among the MSCs, provincial reconstruction team, local and national Iraqi governance, and other stakeholders occurs, sustainment usually is well addressed. But many challenges remain before the United States can be assured that its large capital investment in CERP projects will be effectively sustained as they transition to Iraq.





## ECONOMIC SUPPORT FUND (ESF)

Since 2003, the Congress appropriated more than \$3.272 billion to the Economic Support Fund (ESF)—a bilateral economic assistance account managed by DoS—for relief and reconstruction efforts in Iraq.

The total base and supplemental appropriations for each fiscal year has steadily increased since 2005. In FY 2004 and FY 2005, no funds were appropriated to the ESF for Iraq relief and reconstruction. This quarter, finalized FY 2007 Continuing Resolution (CR) levels included \$122.8 million for the ESF.<sup>53</sup>

Table 2.13 shows the timeline of ESF appropriations since 2003.

Appropriations to the ESF account for approximately 7% of the total U.S. funding for Iraq reconstruction. Figure 2.10 shows the status of 97% of the ESF,<sup>54</sup> including approximately \$312 million in expenditures.<sup>55</sup>

### Background

The ESF provides assistance to countries transitioning to democracy and supports the financing of economic stabilization programs

#### CONGRESSIONAL APPROPRIATIONS TO THE ECONOMIC SUPPORT FUND FOR IRAQ EFFORTS (BILLIONS)

U.S. FUND	PUBLIC LAW	APPROPRIATED
ESF FY 2003	P.L. 108-7	\$0.040
ESF FY 2003 Supplemental	P.L. 108-11	\$0.010
ESF FY 2006 Appropriations for DoS	P.L. 109-102	\$0.060
ESF FY 2006 Supplemental	P.L. 109-234	\$1.485
ESF FY 2007 Supplemental	P.L. 110-28	\$1.554
ESF FY 2007 Continuing Resolution		\$0.123
<b>Total</b>		<b>\$3.272</b>

Note: Numbers are affected by rounding.

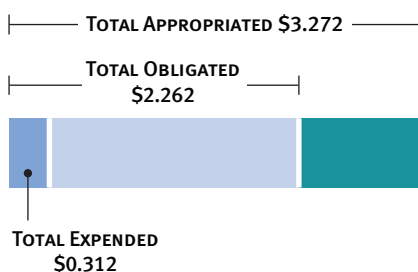
TABLE 2.13

Figure 2.10

#### STATUS OF ESF FUNDS

\$ Billions

Sources: ITAO, Response to SIGIR Data Call (10/15/2007); IRMS, ESF Cost to Complete (10/5/2007); USAID, Response to SIGIR Data Call (10/17/2007)



Notes:

1. Numbers are affected by rounding.
2. Funding details for approximately \$0.06 billion of FY 2006 DoS budget appropriations and \$0.033 billion in FY 2006 Supplemental allocations were unavailable.

throughout the world.<sup>56</sup> In Iraq, the ESF is used to build on several IRRF projects—mainly in economic reform, business development, and democracy-building—and supports new projects to improve political and economic governance, sustain infrastructure, develop capacity, and strengthen essential services.

Several ESF programs are managed through interagency agreements (IAAs) that fully obligate the affected funds at the time of the agreement. For purposes of this section, SIGIR considers ESF “obligations” for IAAs as funds “committed.” This comports with SIGIR’s practice to report only the funds that have been actually awarded by contract as “obligated.”<sup>57</sup>

DoS has executed large-scale IAAs with GRD and DoJ. Table 2.14 shows the dollar value of the IAAs for FY 2006 Supplemental funds. DoS also executed an IAA with GRD for \$100 million in

FY 2007 Supplemental funds for the Provincial Reconstruction Team/Provincial Reconstruction Development Council (PRT/PRDC) program.<sup>58</sup>

DoS manages ESF project identification, priorities, requirements, and funding; USAID, GRD, and other agencies execute the projects.<sup>59</sup> Programs managed by GRD and USAID—the primary executing agencies of the ESF—received approximately 90% of ESF allocations.<sup>60</sup> Table 2.15 shows the ten firms awarded the largest ESF contracts from these two implementing agencies.

A USAID/Iraq audit released on July 31, 2007, found that one of the largest ESF contractors, Research Triangle Institute (RTI), had not been submitting regular implementation and performance plans. Thus, measuring outputs for the contract was difficult.<sup>61</sup> Since the release of the audit, RTI has agreed to comply with the contract requirements for implementation plans.

#### ESF INTERAGENCY AGREEMENTS FOR DoS – FY 2006 SUPPLEMENTAL (MILLIONS)

PROGRAM	AGENCY	FY 2006 SUPPLEMENTAL FUNDS	CONTRACTED AMOUNTS	EXPENDED AMOUNTS
PRT/PRDC	GRD	\$315	\$191	\$20
Infrastructure Security Protection	GRD	247	106	13
O&M Sustainment	GRD	285	259	50
Capacity Development and Technical Training	GRD	60	45	13
Regime Crimes Liaison Office	DoJ	33	*	15
<b>Totals</b>		<b>\$940</b>		<b>\$111</b>

Sources: ITAO, response to SIGIR data call, October 8, 2007. Contracted Amounts and Expended Amounts: IRMS, ESF Cost to Complete, October 5, 2007; ITAO, response to SIGIR data call, October 15, 2007.

Note: Numbers are affected by rounding.

\*The contract award amounts for the Regime Crimes Liaison Office program were not available to SIGIR at the time of publication.

TABLE 2.14

RTI submitted a quarterly budget by activity on September 17, 2007.<sup>62</sup>

### FY 2006 SUPPLEMENTAL

Approximately 93% of appropriations to the ESF are contained in supplemental funding bills. The initial allotment of FY 2006 Supplemental funds took 85 calendar days to get to USAID-Iraq, and up to 167 calendar days to support DoS field activities that were implemented in Iraq by the DoJ, GRD, and ITAO (formerly IRMO).<sup>63</sup> A SIGIR review found that, on average, it takes much longer to move ESF funds from appropriation to field activities than for CERP (35 days) and ISFF (29 days) funds.<sup>64</sup>

Figure 2.11 is a flowchart from SIGIR, the “Fact Sheet on Sources and Uses of U.S. Funding Provided in Fiscal Year 2006 for Iraq Relief and

Reconstruction,” released on July 27, 2007. It shows the desultory flow of ESF funds appropriated in the FY 2006 Supplemental.

### FY 2007 SUPPLEMENTAL

The Congress appropriated \$1.554 billion of FY 2007 Supplemental funds to the ESF. Under P.L. 110-28, signed by the President in May 2007, ESF FY 2007 funds can be obligated or expended when the President certifies that Iraq has made satisfactory progress on 18 specific benchmarks.<sup>65</sup> The bill includes a waiver provision that releases funds from the requirement if the President submits a written certification to the Congress, including a justification for the waiver and a detailed benchmark assessment report.<sup>66</sup>

The President has submitted two benchmark assessment reports (July 12, 2007, and September

### TOP TEN ESF CONTRACTORS (MILLIONS)

CONTRACTOR	PARTNERING AGENCY	OBLIGATED
International Relief and Development	USAID	\$489 <sup>a</sup>
Research Triangle Institute (RTI)	USAID	245
Management System International	USAID	200
CHF International	USAID	140
Development Alternatives, Inc.	USAID	130
BearingPoint, Inc.	USAID	70
Louis Berger Group	USAID	64
Wamar International	GRD	58
Parsons Brinckerhoff	GRD	58
Iraqi Contractor – 4767	GRD	54
<b>Total</b>		<b>\$1,508</b>
<b>Percentage of Total ESF Appropriations</b>		<b>46.1%</b>

Note: USAID signs contracts/agreements, which can be funded from one or more funding accounts. This table includes contractors/grantees that received FY 2006 Supplemental and FY 2007 Supplemental funds for USAID contractors. GRD contractors received FY 2006 Supplemental funds.

<sup>a</sup> Approximately \$25 million in FY 2007 CR funds was programmed to the Community Stabilization Program, which is executed by International Relief and Development. ITAO, response to SIGIR data call, October 15, 2007.

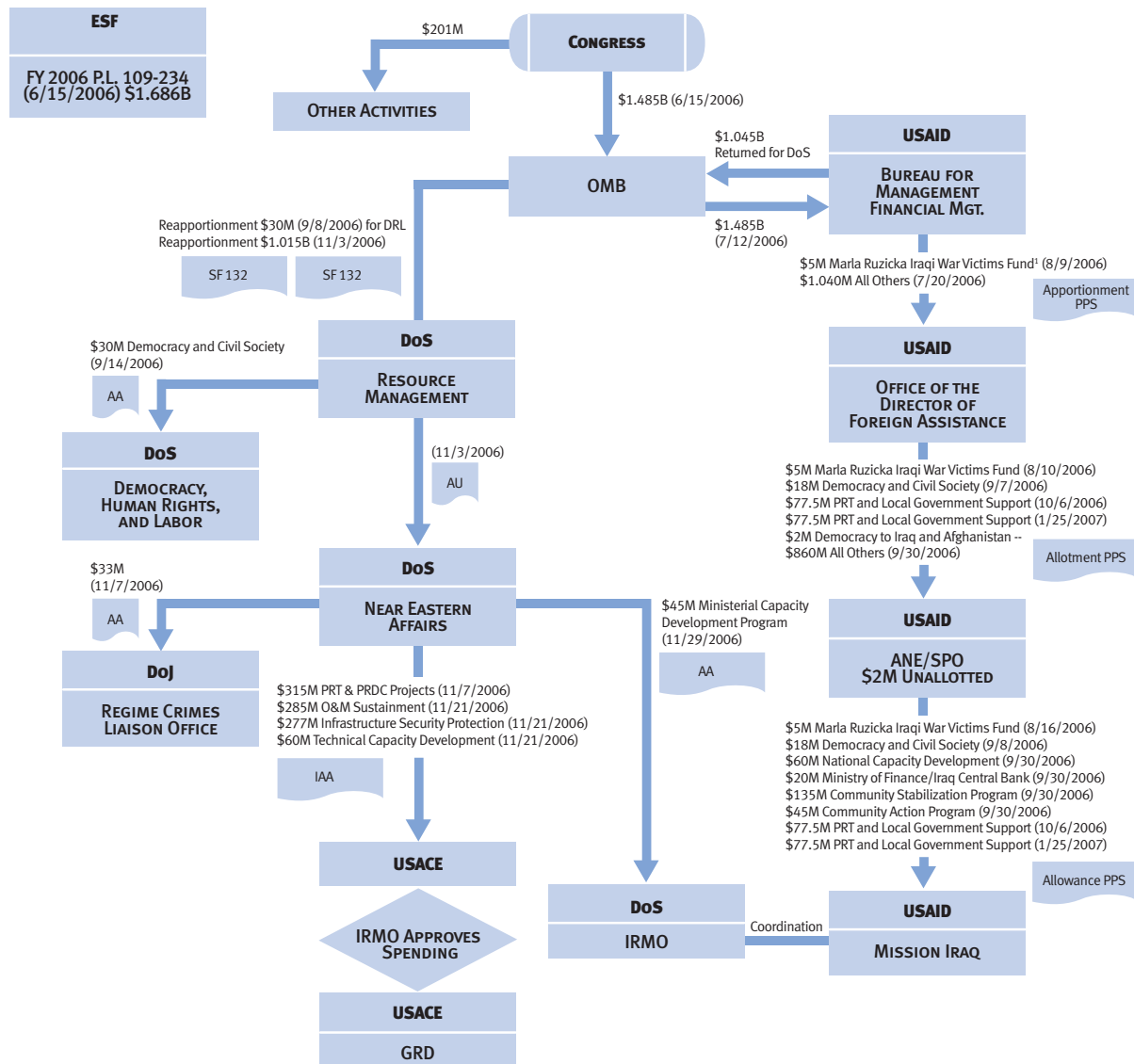
Source: USAID, response to SIGIR data call, October 17, 2007; GRD, response to SIGIR data call, October 1, 2007.

TABLE 2.15

Figure 2.11

**FLOW OF ECONOMIC SUPPORT FUND (ESF), P.L. 109-234**

Sources: DoS: Iraq Reconstruction Management Office, Bureau of Resource Management, Bureau of Near Eastern Affairs; and the Bureau of Democracy, Human Rights and Labor; U.S. Army Corps of Engineers Gulf Region Division; U.S. Agency for International Development; and the Office of Management and Budget



AA	Advice of Allotment
ANE/SPO	Bureau for Asia and the Near East/Strategic Planning & Operations
AU	Allotment Authority
B	Billion
DRL	Democracy, Human Rights, and Labor
IAA	Interagency Agreement
IRMO	Iraq Reconstruction Management Office (former name of ITAO)
DoJ	Department of Justice
M	Million
PPS	Posted in Phoenix Accounting System
PRDC	Provincial Reconstruction Development Committee
PRT	Provincial Reconstruction Team
SF 132	Apportionment and Reapportionment Schedule

Notes:

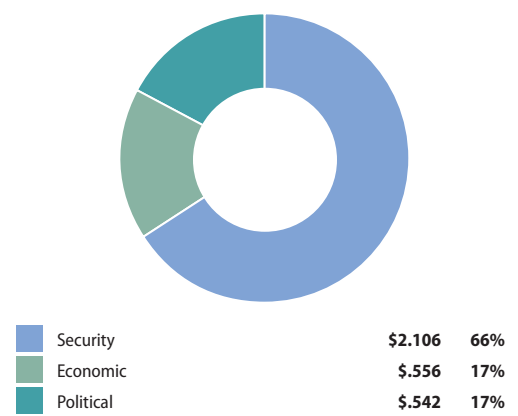
1. Marla Ruzicka Iraqi War Victims Fund was merged with IRRF funds on September 24, 2006.
2. Dates presented are the initial transmittal dates of funds apportioned or allotted for each action and do not necessarily represent an action for the total amount of funds.
3. By Executive Order, on May 8, 2007, the President created ITAO as the successor organization to the Iraq Reconstruction Management Office.

14, 2007) to the Congress, and the remaining FY 2007 Supplemental appropriations, totaling \$1.554 billion,<sup>67</sup> have been released by waivers. Approximately \$1.045 billion (includes FY 2007 CR funds) has been obligated, and about \$5 million has been expended.<sup>68</sup>

Funding Uses

ESF program funding is aligned under security, economic, and political tracks. Programs in the security track have received the largest percentage of ESF allocations, as shown in Figure 2.12.

Figure 2.12  
**ALLOCATIONS OF ESF FUNDS BY TRACK**  
\$ Billions, % of \$3.204 Billion  
Source: ITAO, Response to SIGIR Data Call (10/15/2007); USAID, Response to SIGIR Data Call, (10/17/2007)



Notes:  
1. Numbers are affected by rounding.  
2. The total amount represented by the pie chart is approximately 98% of all appropriated ESF funds for Iraq totalling \$3.272 billion. Program and track-level details were not available for \$50 million in FY 2003 ESF funds and approximately \$20 million in FY 2007 CR funds.

SECURITY TRACK






Programs in the security track aim to strengthen the links between the GOI and local communities and to improve the capacity of provincial governments to deliver essential services. Table 2.16 provides information on projects that have been funded by the ESF, including the percentage of funds allocated out of the security track.<sup>69</sup>

Funds from the ESF support the overall PRT program. Three PRT programs have been allocated approximately 56% of total ESF security track funding:



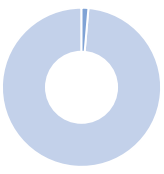
- PRT/PRDC program—\$790 million
- PRT Local Governance Program (LGP)—\$245 million
- Quick Response Fund (QRF)<sup>70</sup>—\$125 million

The ESF-funded **QRF program** is a new initiative implemented by the Chief of Mission to provide PRTs with a CERP-like funding source to execute high-value, quick-turnaround projects. The ISFF funds a similar rapid response program specifically for quick impact projects for the Iraqi Security Forces; this program is different than the ESF-funded QRF, which supports PRTs. DoS has allocated an initial \$200,000 in QRF to each PRT.<sup>71</sup> QRF awards can be provided through micro-purchase agreements, grants, or standard procurements.

## STATUS OF ESF PROGRAMS IN THE SECURITY TRACK (\$2.106 BILLION)

ESF PROJECT	% OF SECURITY TRACK	IMPLEMENTER	DESCRIPTION AND STATUS
PRT/PRDC PROJECTS	 38%	GRD \$315 million FY 2006 Supplemental \$475 million FY 2007 Supplemental  <b>TOTAL: \$790 MILLION</b>  Source: GRD, response to SIGIR data call, October 18, 2007.	<p><b>DESCRIPTION:</b> Small projects intended to improve provincial government capacity to provide essential services. PRTs work with Iraqi-led PRDCs to compile a list of projects for approval by the U.S. Embassy.</p> <p><b>STATUS:</b> For the FY 2006 Supplemental, PRDCs have submitted a list of projects. The National Embassy Team has approved 201, and 178 have been awarded at a cost of \$242.8 million, as reported by GRD on October 18, 2007. Per the provinces' decisions, some projects were dropped, but six more were added.</p>
PRT LOCAL GOVERNANCE PROGRAM	 12%	USAID \$155 million FY 2006 Supplemental \$90 million FY 2007 Supplemental  <b>TOTAL: \$245 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; USAID, response to SIGIR data call, October 1, 2007.	<p><b>DESCRIPTION:</b> Complements PRT efforts by facilitating advocacy efforts on policy reform, transferring functional control of activities from national to local governments, and strengthening provincial capacity to deliver essential services.</p> <p><b>STATUS:</b> All of the \$155 million from FY 2006 Supplemental funds were carried over and obligated in FY 2007; of this amount \$143.4 million is expended.</p>
PRT/QRF	 6%	USAID (80%) and DoS (20%) \$125 million FY 2007 Supplemental  <b>TOTAL: \$125 MILLION</b>  Source: OPA, Provincial Reconstruction Team Portal, "Guidelines for Administration of the PRT/ePRT Quick Response Fund Program," August 12, 2007; USAID, response to SIGIR data call, October 17, 2007.	<p><b>DESCRIPTION:</b> Mechanism for PRTs and ePRTs to support local neighborhood and government officials or members of community-based organizations, as well as small project needs for the provinces.</p> <p><b>STATUS:</b> Program guidelines finalized. The Embassy committee to review grants has been established; first grants have been disbursed to PRTs/ePRTs in Anbar and Basrah. All but one PRT have been identified as cash handlers. USAID received its first ESF allocation for QRF (\$25 million) in August 2007.</p>
COMMUNITY STABILIZATION PROGRAMS IN STRATEGIC CITIES	 24%	USAID \$135 million FY 2006 Supplemental \$354 million FY 2007 Supplemental \$25 million FY 2007 CR  <b>TOTAL: \$514 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; USAID, response to SIGIR data call, October 1, 2007.	<p><b>DESCRIPTION:</b> Short-term projects in neighborhoods and districts that employ Iraqi youth in public works, employment generation, business development and training, and in programs that serve other youths.</p> <p><b>STATUS:</b> The weekly average employment level was 73,926 for week ending September 15, 2007; 10,026 Iraqis have graduated from vocational skills training programs supported by Community Stabilization Programs.</p>
INFRASTRUCTURE SECURITY PROTECTION	 12%	GRD \$247 million FY 2006 Supplemental  <b>TOTAL: \$247 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; GRD, response to SIGIR data call, October 18, 2007.	<p><b>DESCRIPTION:</b> Projects improving infrastructure in oil, water, and electricity sectors—such as security barrier protection, hardening of structures and plants, and implementation of controlled access facilities.</p> <p><b>STATUS:</b> As of October 15, 2007, 51 projects worth \$104.1 million have been awarded.</p>

### STATUS OF ESF PROGRAMS IN THE SECURITY TRACK (\$2.106 BILLION)

ESF PROJECT	% OF SECURITY TRACK	IMPLEMENTER	DESCRIPTION AND STATUS
COMMUNITY ACTION PROGRAM	 6%	USAID \$45 million FY 2006 Supplemental \$90 million FY 2007 Supplemental  <b>TOTAL: \$135 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; USAID, response to SIGIR data call, October 1, 2007.	<b>DESCRIPTION:</b> Projects that strengthen links between the Iraqi government and local communities by facilitating community coordination with local and provincial governments and promoting transparency and local ownership of public goods.  <b>STATUS:</b> As of October 1, 2007, 78 projects were completed, benefiting 1,624,386 Iraqis, generating 11,168 short-term jobs and 149 long-term jobs (as of September 9, 2007), as reported by USAID for Community Action Program II.
IRAQI REFUGEES (JORDAN)	 1%	USAID \$30 million FY 2006 Supplemental  <b>TOTAL: \$30 MILLION</b>  Sources: ITAO, response to SIGIR data call, October 10, 2007.	<b>DESCRIPTION:</b> United Nations Education appeal aims to enroll an additional 150,000 Iraqi children in Jordanian and Syrian schools; total program funding is \$130 million, of which the U.S. contribution is \$30 million of ESF funds and \$9 million of Emergency Refugee and Migration Assistance funds.  <b>STATUS:</b> \$30 million of FY 2006 ESF funds was re-allocated from the Infrastructure Security Protection program to refugee and migration assistance for a back-to-school program for Iraqi refugees.
MARLA RUZICKA IRAQI WAR VICTIMS FUND (TRANSFERRED TO IRRF)	 1%	USAID \$5 million FY 2006 DoS Appropriations \$5 million FY 2006 Supplemental \$5 million FY 2007 Supplemental \$5 million FY 2007 CR  <b>TOTAL: \$20 MILLION</b>  Sources: IMF, "USAID: Assistance for Iraq," May 17, 2007, <a href="http://www.usaid.gov/iraq/">www.usaid.gov/iraq/</a> ; ITAO, response to SIGIR data call, October 10, 2007.	<b>DESCRIPTION:</b> Program aims to assist civilian victims of armed conflict; ensures that victims of conflict are specifically highlighted for funds to provide relief from severe suffering caused by conflict.  <b>STATUS:</b> ESF funds for this program were subsequently transferred to the IRRF. As they originated as ESF funds, they are included in the calculations for total ESF amounts provided for Iraq reconstruction.

Notes:

1. Sources for the programmed amounts are ITAO, response to SIGIR data call, October 15, 2007, and USAID, response to SIGIR data call, October 17, 2007. Sources included in the tables are relevant to that specific program description and/or program status.
2. Numbers affected by rounding.

TABLE 2.16

Table 2.17 shows the four tools available to organizations seeking funding from the QRF.

For projects valued at more than \$200,000, PRTs must submit funding requests to the Iraqi-led PRDCs through the **PRT/PRDC program**. The National Embassy Team (NET) approves projects and funds them from the \$315 million in FY 2006 Supplemental funds or the \$475 million in FY 2007 Supplemental funds allocated for this program.

As of October 2, 2007, there were 201 NET-approved PRDC projects; 69 of these have

started, using FY 2006 funds.<sup>72</sup> Figure 2.13 shows the geographic breakdown of PRDC-approved projects and started projects.

As of October 2, 2007, the PRDCs had selected a list of projects that consumed 97% of the \$315 million in FY 2006 allocated funding, and the NET had approved virtually all of them. Of these approved projects, approximately 78% have been awarded (an increase from the 41% awarded the previous quarter).<sup>73</sup>

Using FY 2007 funding, PRDCs have selected 162 projects, worth more than \$224 million. As

#### TOOLS TO IMPLEMENT THE QRF

TOOL	DESCRIPTION	AMOUNT DEPLOYABLE
Micro-purchase	Similar to the CERP process, micro-purchases would allow PRTs/ePRTs to procure items or services that PRT team leaders deem vital to their engagement with local and provincial communities.	< \$25,000
	No Embassy approval is required.	
Small Grant	"Notwithstanding" memo will allow for purchases up to \$25,000 and FAR flexibility.	< \$50,000
	One-time payment to an NGO/GOI to carry out activity	
	Tracked at the Embassy; implemented by PRT/ePRT	
	Post-review and authorization of all grants	
Grant	Grants over \$25,000 reviewed by Washington, D.C.	\$50,000 – \$200,000
	One-time payment to an NGO/GOI to carry out activity	
	Tracked at the Embassy; implemented and monitored by USAID	
Direct Procurement	OPA review and handoff to USAID	< \$200,000
	Activity complex enough that it requires a contract/lengthy statement of work; PRT team leaders approve purchase request	
	Procurement order plausibility and implementation means made by USAID, JCCI, or GSO—depending on core competency.	
	USAID implementer, DoD's Regional Contract Command (RCC) will handle monitoring component.	

Source: OPA, Provincial Reconstruction Team Portal, "Guidelines for Administration of the PRT/ePRT Quick Response Fund Program," August 12, 2007, p. 2.

TABLE 2.17



of October 2, 2007, the NET had approved 57 of the projects, valued at more than \$73 million.<sup>74</sup>

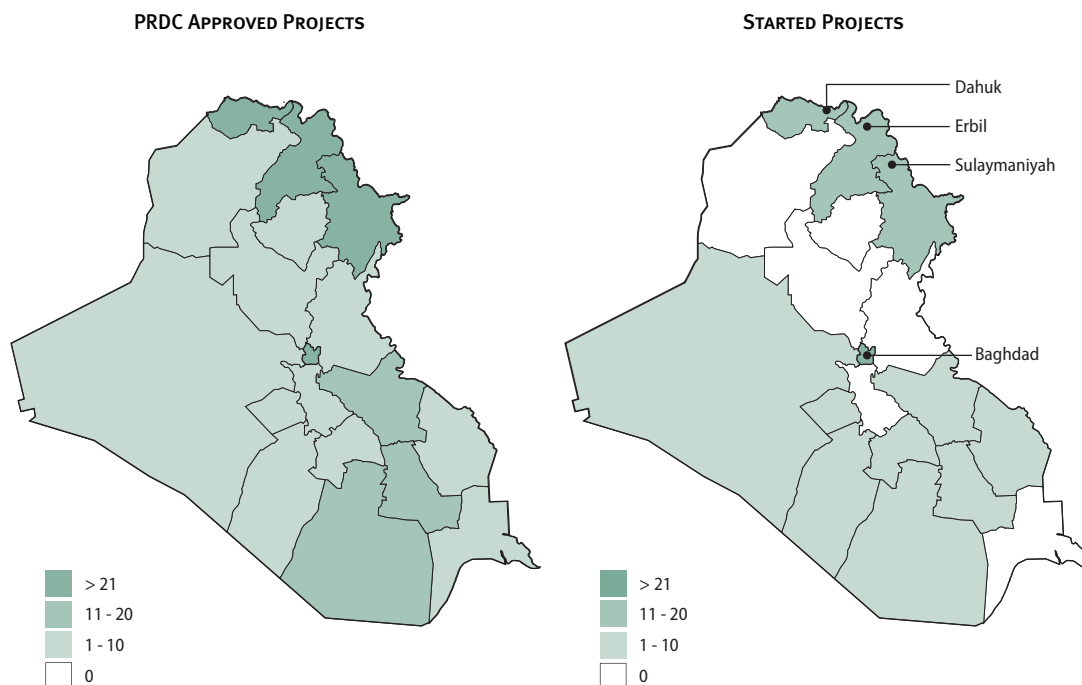
USAID's **Local Governance Program (LGP)** supports PRT efforts to build governance capacity. In addition to providing subject matter experts as part of the civilian surge, USAID's commitment to PRT staffing includes three full-time expatriate LGP personnel in each PRT.<sup>75</sup>

This quarter, LGP contractors met with the Strategic Planning Board in Babylon to revise the draft of the Provincial Development Strategy and to identify goals for Iraq's services sector.<sup>76</sup> USAID contributes to the work of PRTs through its LGP, Community Stabilization Program, and Community Action Program.

Figure 2.13

**ESF FY 2006 SUPPLEMENTAL PRDC PROJECTS BY GOVERNORATE**

Source: DoS, Response to SIGIR Data Call (10/12/2007)








Notes:

1. PRDC-approved means approved and forwarded for NET consideration.

2. Erbil, Sulaymaniyah, and Dahuk are combined under KRG, which has a total of 29 PRDC-approved projects and 18 started projects.

3. Baghdad has 68 PRDC-approved projects, and 20 have started.

## STATUS OF ESF PROGRAMS IN THE ECONOMIC TRACK (\$556 BILLION)

ESF PROJECT	% OF ECONOMIC TRACK	IMPLEMENTER	DESCRIPTION AND STATUS
O&M SUSTAINMENT	 51%	GRD \$285 million FY 2006 Supplemental <b>TOTAL: \$285 MILLION</b> Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; GRD, response to SIGIR data call, October 18, 2007.	<b>DESCRIPTION:</b> Providing in-plant services, consumables, and spare parts at major power plants, water and wastewater plants, and health, transportation, and communication facilities to assist Iraqis with sustainment efforts. <b>STATUS:</b> 47 projects worth \$279.2 million have been awarded to support O&M Sustainment, as reported by GRD on October 18, 2007.
INMA—PRIVATE SECTOR AGRIBUSINESS DEVELOPMENT	 17%	USAID \$55 million FY 2007 Supplemental \$39.9 million in FY 2007 CR <b>TOTAL: \$94.9 MILLION</b> Sources: USAID, response to SIGIR data call, October 1, 2007, and October 17, 2007; USAID, "USAID Awarded Inma Agribusiness Program in Iraq," May 16, 2007.	<b>DESCRIPTION:</b> Projects that aim to improve agricultural quality and productivity, restore soil and water management systems, increase agribusiness competitiveness, and increase domestic and foreign partnerships. <b>STATUS:</b> Currently in mobilization phase; all \$55 million of FY 2007 Supplemental funds have been obligated.
PLANT-LEVEL CAPACITY DEVELOPMENT & TECHNICAL TRAINING	 11%	GRD \$60 million FY 2006 Supplemental <b>TOTAL: \$60 MILLION</b> Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; GRD, response to SIGIR data call, October 11, 2007.	<b>DESCRIPTION:</b> O&M training programs for plant and technician-level operators at major electricity power plants, water and wastewater plants, and health, transportation, and communication facilities. <b>STATUS:</b> As of October 18, 2007, 34 projects, worth \$41.2 million, have been awarded to support technical training.
PROVINCIAL ECONOMIC GROWTH	 11%	USAID \$44.9 million FY 2007 Supplemental \$14.6 million FY 2007 CR <b>TOTAL: \$59.5 MILLION</b> Sources: USAID, "Request for Proposals (RFP) No. 267-07-001," March 1, 2007; USAID, response to SIGIR data call, October 1, 2007.	<b>DESCRIPTION:</b> Follow-up program of IRRF-funded Izdihar; projects aimed at increasing access to finance and promoting growth for selected manufacturing and service sectors. <b>STATUS:</b> The Provincial Economic Growth (PEG) contract was awarded last quarter; project is delayed due to an award protest. Izdihar has been extended to March 2008 to ensure uninterrupted delivery of assistance. Of the \$59.5 million in ESF funds for this program, \$9.2 million from the FY 2007 Supplemental and \$14.6 million from the Continuing Resolution will be used for the continuation of the Izdihar Program.
TARGETED DEVELOPMENT PROGRAM	 10%	Chief of Mission \$57.4 million FY 2007 Supplemental <b>TOTAL: \$57.4 MILLION</b> Source: U.S. Mission Iraq, "Program Announcement: Targeted Development Program," September 10, 2007.	<b>DESCRIPTION:</b> A funding tool for non-governmental organizations (NGOs) to support economic, social, and governance initiatives in areas of conflict in Iraq; programs focus on conflict mitigation, building national unity, and other development efforts. <b>STATUS:</b> Program is in the start-up phase. As of September 10, 2007, U.S. Mission elements began submitting proposals. The Program Review Board will begin reviewing the initial round of proposals during the last week in September 2007.

## Notes:

- Sources for the programmed amounts are ITAO, response to SIGIR data call, October 15, 2007, and USAID, response to SIGIR data call, October 17, 2007. Sources included in the tables are relevant to that specific program description and/or program status.
- Numbers are affected by rounding.

TABLE 2.18

## ECONOMIC TRACK

Programs in the economic track promote economic development, capacity development, and operations and maintenance (O&M) sustainment. Table 2.18 provides information on programs that have been funded by the ESF, including the percentage of funds allocated out of the economic track.<sup>77</sup>

A new ESF project funded by the FY 2007 Supplemental, the **Provincial Economic Growth (PEG) program**, is a follow-on effort to the IRRF-funded Izdihar program. Completion of Izdihar was scheduled for September 30, 2007; however, the award of a contract for the PEG

program has been delayed since late July because of an unsuccessful protest from a bidder.<sup>78</sup> GAO dismissed the protest on the condition that USAID reevaluate the proposals for the PEG program. Reevaluation of the proposals is not likely to be resolved for several months. Thus, USAID has extended Izdihar through March 31, 2008, to continue support for Iraq's economic development.<sup>79</sup> ESF FY 2007 funds will support the continuation of Izdihar's efforts.

The largest program in the economic track is GRD's \$285 million **O&M Sustainment program**. Figure 2.14 shows a time series of the amounts awarded under the O&M sustainment

Figure 2.14

### O&M SUSTAINMENT PROGRAM AWARDS

\$ Billions, \$.285 Total ESF FY 2006 Supplemental Program Funding  
Source: IRMS (10/5/2007); GRD, Response to SIGIR Data Call (10/18/2007)

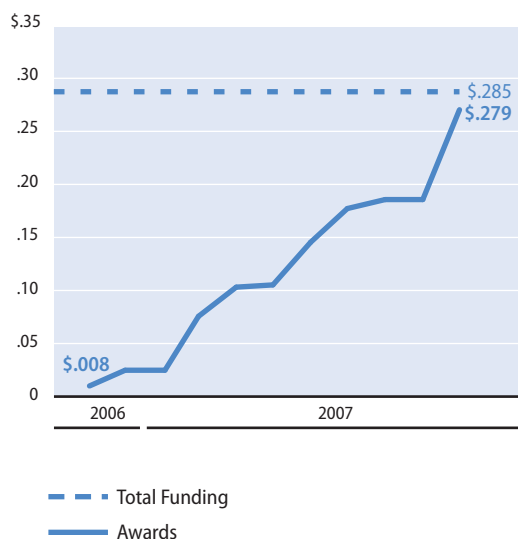
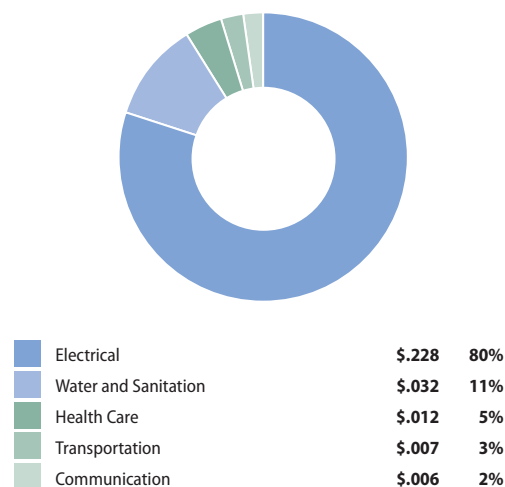


Figure 2.15

### O&M SUSTAINMENT PROGRAM - ALLOCATIONS BY SECTOR

\$ Billions, % of \$.285 Billion  
Source: GRD, "Program Review Board," p. 51 (9/7/2007)



Note:  
Numbers are affected by rounding.

program. Of the \$285 million available for the program, approximately \$279 million has been awarded.

O&M Sustainment funds are allocated to five sectors—electrical, health care, transportation, communication, and water and sanitation. Figure 2.15 shows the percentage of the total \$285 million provided to each of these sectors.

Projects supporting O&M and sustainment in the electricity sector received the largest allocation (80%) of the programmed amount. Of the \$228 million allocated to the electricity sector, approximately 94% has been obligated, as of October 18, 2007.<sup>80</sup> A recent project in this sector is the \$3 million O&M Generator Support Contract; the program provides preventative and corrective maintenance activities for 175 emergency generators in Iraq.<sup>81</sup>

These are examples of completed GRD electrical O&M Sustainment projects:<sup>82</sup>

- **Renovation of Project Phoenix III Shuaila Unit B Gas Turbine (\$2.56 million)** was completed on October 11, 2007, and the project awaits an acceptance letter from the Ministry of Electricity.
- **Doura 5 Maintenance Oversight and Maintenance Electrical Support (\$4.2 million)** was completed on September 9, 2007, and the facility has been turned over to Iraq's Ministry of Electricity.

Last quarter, SIGIR issued an inspection of the Doura Power Station Units 5 and 6. U.S. funds—primarily through \$90 million awarded to Bechtel—had paid for the repair of the two

power-generating units; however, the Iraq Ministry of Electricity failed to sustain them. SIGIR inspectors noted a need for the Ministry of Electricity's O&M practices to improve and that the ministry frequently improperly operated and poorly maintained equipment, increasing the likelihood of equipment failure.<sup>83</sup>

## POLITICAL TRACK



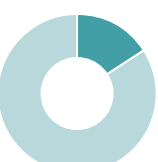
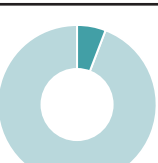
Programs in the political track help GOI strengthen core ministry functions and support governance and democracy-building efforts.

Table 2.19 provides information on projects that have been funded by the ESF, including a percentage of funds allocated out of the political track.<sup>84</sup>

The **Iraq Financial Management Information System (IFMIS)** is a U.S.-funded effort that aims to enable the GOI to have real-time budget reporting and management across spending agencies. The project began under USAID's **Economic Governance II (EG II)** program, which was funded by the IRRF and continues with ESF monies. Available information shows that the system development and implementation costs are about \$38 million.<sup>85</sup> However, progress on the project has halted:<sup>86</sup>

- May 2007—The work stopped on the budget and procurement models after key IFMIS team members were kidnapped.
- July 2007—The U.S. Embassy suspended the IFMIS project pending clarification of GOI support for the effort.
- August 2007—As part of a World Bank assessment of the IFMIS, a survey was

### STATUS OF ESF PROGRAMS IN THE POLITICAL TRACK (\$5423 BILLION)

ESF PROJECT	% OF POLITICAL TRACK	IMPLEMENTER	DESCRIPTION AND STATUS
CAPACITY DEVELOPMENT	 45%	ITAO (18%), USAID (82%) \$105 million FY 2006 Supplemental \$140 million FY 2007 Supplemental  <b>TOTAL: \$245 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; USAID, response to SIGIR data call, October 17, 2007.	<b>DESCRIPTION:</b> Projects that strengthen leadership capacity of key government offices, assist with budget execution, improve delivery of essential services, and build capacity of the GOI to manage training programs to build key public administration functions.  <b>STATUS:</b> ITAO has obligated \$11.9 million for strengthening leadership capacity, \$19.5 million for budget execution assistance, and \$14.6 million to strengthen service delivery to ministries. USAID's cumulative number of enrollees in ministry training programs was 1,125. USAID's National Capacity Development program—in its second phase—has awarded 81 scholarships.
DEMOCRACY AND CIVIL SOCIETY	 33%	USAID (50%), DRL (50%) \$56 million FY 2006 Budget \$50 million FY 2006 Supplemental \$67.6 million FY 2007 Supplemental \$2.5 million FY 2007 CR  <b>TOTAL: \$176.1 MILLION</b>  Sources: DoS, <i>Section 2207 Report</i> , August 28, 2007; USAID, response to SIGIR data call, October 1, 2007.	<b>DESCRIPTION:</b> Projects that support the Council of Representatives democracy-building efforts and support women and minority participation in the political process.  <b>STATUS:</b> IFES, which continues to support election activities, received 50% of FY 2007 Supplemental funding for this program; the other half will be programmed as the provincial elections draw nearer.
ECONOMIC GOVERNANCE II  POLICY & REGULATORY REFORMS	 16%	USAID \$20 million FY 2006 Supplemental \$50 million FY 2007 Supplemental \$18.2 million FY 2007 CR  <b>TOTAL: \$88.2 MILLION</b>  Sources: USAID, "USAID Award Economics Contract in Iraq," September 20, 2004; USAID, response to SIGIR, October 1, 2007; DoS, <i>Section 2207 Report</i> , August 28, 2007.	<b>DESCRIPTION:</b> Projects that assist the GOI in reforming tax, fiscal, monetary, and customs policies and build the capacity of the Central Bank of Iraq; assist Ministry of Finance in modernizing banking sector, compliance with the SBA, and promoting private sector-led growth in Iraq.  <b>STATUS:</b> The IFMIS project was suspended by the U.S. Embassy in July 2007. Additional efforts include assisting the GOI in completing the census of all public service employees; the survey will be collected by the end of 2007. Assisted the GOI to implement fiscal reform initiatives, overhauling the Iraqi tax system, strengthening Iraq's tax and customs authorities, and completing the 2007 Charts of Accounts in accordance with IMF recommendations.
REGIME CRIMES LIAISON OFFICE	 6%	NEA, DoJ \$33 million FY 2006 Supplemental  <b>TOTAL: \$33 MILLION</b>  Source: ITAO, response to SIGIR data call, October 15, 2007.	<b>DESCRIPTION:</b> Ensures the security and safety of witnesses and victims of crimes under investigation by the Iraqi High Tribunal.  <b>STATUS:</b> Approximately \$15.14 million is expended of the \$33 million programmed amount; the program assisted the tribunal in submission of materials for the Anfal trial.

Notes:

1. Sources for the programmed amounts are ITAO, response to SIGIR data call, October 15, 2007, and USAID, response to SIGIR data call, October 17, 2007. Sources included in the tables are relevant to that specific program description and/or program status.
2. Numbers are affected by rounding.

TABLE 2.19

conducted of GOI officials to obtain views of stakeholders on aspects of the IFMIS arrangement.

In a letter report released this quarter, SIGIR provided a preliminary assessment of IFMIS relative to the five preconditions—clear commitment/ownership, reform-ready preconditions, sound project design, capable project management, and adequate resources—identified by the IMF for the successful development of a financial management system in Iraq. For a summary of SIGIR's letter report, see Section 3 of this Report.

In addition to IFMIS, other components of the EG II program include capacity-building support to the Central Bank of Iraq (CBI), strengthening monetary policy, technical assistance on developing laws on bankruptcy and movable transactions, and advice on pensions and social safety reform.<sup>87</sup>

USAID and ITAO implement the ESF-funded **Capacity Development** programs, which account for approximately 45% of ESF funds in the political track. To implement capacity-building programs, USAID was allocated \$60 million (in FY 2006 Supplemental funds), focusing on long-term sustainment training, capacity building, and development of public administration functions.<sup>88</sup> ITAO's focus on immediate support to key ministries was funded by \$45 million.

USAID's National Capacity Development program—which was allocated \$140 million in FY 2007 Supplemental funds—is in its second phase with expanded involvement in executive branch and line ministries. Details on these efforts are provided in the Capacity Development section of this Report.

## IRAQ RELIEF AND RECONSTRUCTION FUND (IRRF)

On April 16, 2003, the Congress passed P.L. 108-11, establishing the Iraq Relief and Reconstruction Fund (IRRF 1). The Congress authorized five agencies to use the \$2.475 billion in IRRF 1: DoD, DoS, USAID, the Department of Treasury, and the U.S. Trade and Development Agency.

In November 2003, the Congress provided a second appropriation to the IRRF (IRRF 2), funding an additional \$18.44 billion for relief and reconstruction in Iraq.

### Status of Funds

As of September 26, 2007, SIGIR found that an estimated 9% of the IRRF 1 (\$243 million) is still listed as unobligated. ITAO's Office of the CFO responded that \$184 million of unobligated IRRF 1 funds were used to directly reimburse DoS for reconstruction costs incurred before the

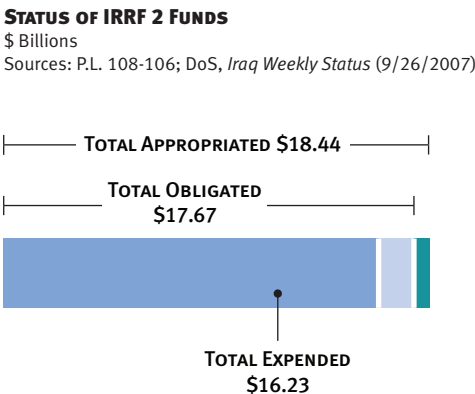
Congress appropriated funds to IRRF 1. Thus, less than \$60 million of IRRF 1 funds have yet to be obligated.<sup>89</sup> More than \$300 million of IRRF 1 dollars remain unexpended.<sup>90</sup>

Approximately 4% of the IRRF 2 (\$770 million) remains unobligated, and \$2.21 billion of IRRF 2 funds are unexpended.<sup>91</sup> Most of the unexpended IRRF funds are obligated for work in the electricity and water sectors.<sup>92</sup>

Figure 2.16 shows the status of the IRRF 2, in billions.

Although IRRF 2 expenditures continue to trend upward, as expected, the total amount still under contract has varied over time because of de-obligations and re-obligations. This quarter, \$130 million of the IRRF 2 was de-obligated because of project completions or obligation terminations, but it apparently has yet to be

Figure 2.16



Note: Numbers are affected by rounding.

re-obligated.<sup>93</sup> De-obligated IRRF funds are returned to OMB to be re-apportioned.<sup>94</sup> Figure 2.17 shows obligations and expenditures of the IRRF 2, from July 2004 to July 2007.

## SIGIR Oversight

This quarter, SIGIR issued three audits related to the IRRF.

In the first, “Agency Management of the Closeout Process for IRRF Contracts,” SIGIR auditors found that the DoD and civilian agencies conducting contract activities in Iraq generally adhered to FAR guidelines, with priority given to financial closeout requirements, such as

settling final payments with the contractor and de-obligating unused contract funds. Historical practice indicates that these large contracts can take up to 15 years to close.<sup>95</sup>

SIGIR also reviewed “Controls over Unliquidated Obligations in the IRRF.” The purpose of this audit was to determine the amounts of unliquidated (or unspent) IRRF dollars still retained by DoD, DoS, and USAID and to assess whether adequate controls were in place to manage these unliquidated funds.

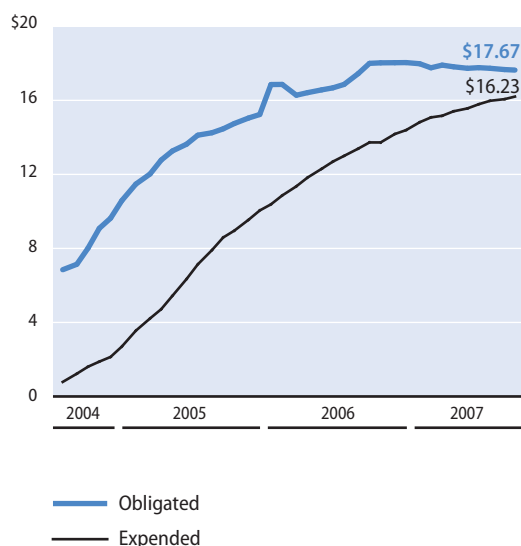
SIGIR auditors found that the agencies are monitoring their unliquidated obligations and conduct at least one annual review of these funds. However, SIGIR auditors also found that the rationale for maintaining certain obligations was not always clear. SIGIR oversight identified several million dollars that could be de-obligated because there had been virtually no activity under the contract for a significant period of time. SIGIR recommended that the agencies improve their documentation and tracking procedures.

Figure 2.17

### IRRF OBLIGATED AND EXPENDED

\$ Billions

Sources: IRMO/ITAO Weekly Status Reports





SIGIR recently released a “Review of the Use of Contractors in Managing IRRF Projects.” SIGIR auditors questioned the effectiveness of using contractors to manage other contractors because of weaknesses in contracting policies. Though each contractor was evaluated through an award-fee process, only limited performance data was documented. Work on these program management support contracts is nearly complete; thus, SIGIR auditors documented lessons learned to inform future contracting actions.<sup>96</sup> For more information on these audits, see Section 3 of this Report.

## Funding Uses

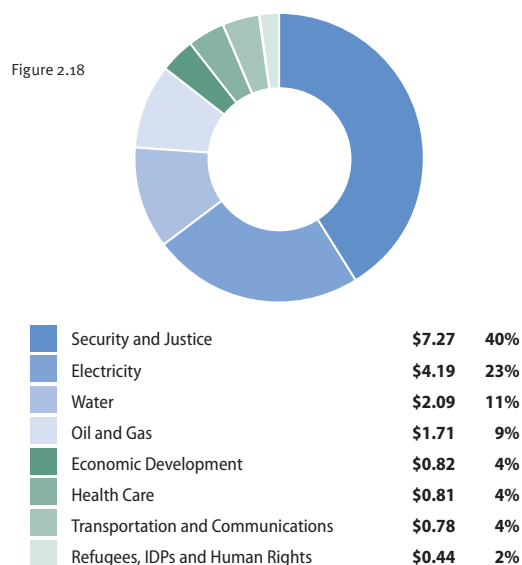
Of the \$18.44 billion in appropriated IRRF 2 funds, \$18.32 billion has been allocated to reconstruction sectors that SIGIR has been reporting on for over a year and a half. Figure 2.18 shows sector allocation of the IRRF 2. The security and justice sector received the largest share of IRRF 2 allocations, nearly 40% of the total. Electricity has the second largest allocation, with an estimated 23% of the IRRF.

Table 2.20 provides project updates by sector. For a cross-reference of how IRRF 2 sectors relate to the sectors defined by SIGIR in this Report, see Appendix D.

### IRRF 2 CURRENT ALLOCATIONS BY SECTOR

\$ Billions, % of \$18.32 Billion Allocated

Source: DoS, *Iraq Weekly Status* (9/26/2007)








#### Notes:




1. Numbers are affected by rounding.
2. See Appendix D for P.L. 108-106 cross-reference to SIGIR-defined sectors.
3. An additional \$0.21 billion allocated to Reconstruction Management.

# IRAQ RELIEF AND RECONSTRUCTION FUND

## IRRF 2 SECTOR UPDATE

SECTOR	% OF TOTAL IRRF 2 ALLOCATIONS	ALLOCATED (BILLIONS)	SECTOR UPDATE
SECURITY & JUSTICE	 39.6%	\$7.27	IRRF funding is being used to construct and renovate prison facilities. Currently, Nassriya, Phase 1 and Phase 2, and Fort Suse receive IRRF funding.
ELECTRICITY	 22.8%	\$4.19	This quarter, production averaged approximately 4,550 MW per day—Iraq's highest quarterly average since 2003.  At the Mussaib Power Station, a new gas turbine has come online.
WATER	 11.4%	\$2.09	SIGIR inspectors report that the execution of 21 contracts, valued at \$27 million, was not consistent with the original project objectives to provide the Mosul Dam and Ministry of Water Resources personnel with critically needed spare and replacement parts and the ability to conduct massive grouting or to fully implement enhanced grouting.  The Nassriya Water Project was completed and turned over to the Ministry of Public Works and Water.
OIL & GAS	 9.3%	\$1.71	Three key repair and reconstruction projects were completed this quarter: Natural Gas Liquids Plant in North Rumaila, LPG plant at Khor Zubair, and storage facilities at Umm Qasr.
ECONOMIC DEVELOPMENT	 4.4%	\$0.82	The Izdihar project has been extended until March 2008 because of a bid conflict with its successor, the Provincial Economic Growth (PEG) program.

## IRRF 2 SECTOR UPDATE

SECTOR	% OF TOTAL IRRF 2 ALLOCATIONS	ALLOCATED (BILLIONS)	SECTOR UPDATE
HEALTH CARE	 4.4%	\$0.81	Of the 142 funded PHCs, 80 have been completed, and 37 have been turned over to the Ministry of Health.  The Basrah Children's Hospital is 66% complete.
TRANSPORTATION AND COMMUNICATIONS	 4.2%	\$0.78	After many delays, the Roll On-Roll Off (RO-RO) Berth Project was completed this quarter.  The Nelcon Crane Project is currently 88% complete, but non-operational generators at the site present challenges to operation.
REFUGEES, IDPS, AND HUMAN RIGHTS	 2.4%	\$0.44	In the Human Rights sector this quarter, DoS started producing and disseminating the electronic newsletter, <i>Human Rights Defenders Network</i> (HRDN).  The IRRF has funded construction of 810 schools, providing classrooms for more than 323,000 students.

### Sources:

Allocations and Percentages: DoS, *Iraq Weekly Status*, September 26, 2007.

Security and Justice: INL, response to SIGIR data call, October 17, 2007.

Electricity: ITAO, *Daily Electricity Report*, July 1, 2007–September 30, 2007.

Water: Mosul Dam: SIGIR Inspection PA-07-105, "Relief and Reconstruction at the Mosul Dam," October 2007; Nassriya: ITAO, *Weekly Status Report*, September 11, 2007.

Oil and Gas: DoS, *Section 2207 Report*, July 2007.

Economic Development: USAID, response to SIGIR data call, October 1, 2007.

Health Care: GRD response to SIGIR data call, October 10, 2007; DoS, *Iraq Weekly Status*, October 10, 2007.

Transportation and Communications: GRD, response to SIGIR data call, October 9, 2007.

Refugees, Human Rights, and Education: DoS, *Section 2207 Report*, July 2007.

Note: Percentages may vary due to rounding; an additional \$210 million of the IRRF 2 was allocated to Reconstruction Management.

TABLE 2.20

Among contractors, Bechtel National received the most IRRF 2 funding—more than \$1.2 billion obligated, as of October 15, 2007. For more information, see SIGIR’s audit of this contract in the July 2007 Quarterly Report. For the top ten IRRF 2 contractors, see Table 2.21.

## Key U.S. Projects

According to ITAO, 44 IRRF 2 projects were scheduled for completion in September 2007, 56 in October, and 71 in November.<sup>97</sup> ITAO expects 65 more projects to be completed in the electricity sector before the end of 2007.<sup>98</sup>

This quarter, SIGIR inspectors visited the **Qudas Power Plant Turbine Restoration Project** (valued at \$90.6 million) and the **Qudas Power Plant Expansion Project** (valued at \$147.4 million), in south Baghdad.<sup>99</sup> SIGIR inspectors found that Qudas projects to restore

turbine units and expand electricity generation capacity were adequately designed and moving forward satisfactorily at the time of their assessment. SIGIR inspectors also determined that sustainability for Qudas turbine projects was adequately planned and well-addressed in the contracts or task orders.<sup>100</sup>

GRD turned over the **Nassriya Water Project** this quarter. Valued at \$276 million,<sup>101</sup> this water treatment facility is expected to serve more than 500,000 people in the Thi-Qar province.<sup>102</sup> The project had been delayed for several quarters because of an insufficient number of ministry-trained employees and inadequate power supplies.<sup>103</sup> Last quarter, SIGIR reported that the Nassriya Water Project was operating at 21% capacity.<sup>104</sup> SIGIR plans to inspect this project next quarter.

### TOP TEN IRRF 2 CONTRACTORS (\$ MILLIONS)

CONTRACTOR	OBLIGATED	EXPENDED
Bechtel National, Inc.	\$1,214	\$1,177
FluorAMEC, LLC	\$964	\$927
Parsons Global Services, Inc.	\$695	\$635
Parsons Iraq Joint Venture	\$581	\$573
Kellogg, Brown & Root Services, Inc.	\$568	\$541
Washington Group International	\$509	\$499
Development Alternatives, Inc.	\$440	\$436
Environmental Chemical Corporation	\$352	\$349
Anham Joint Venture	\$259	\$259
Symbion Power, LLC	\$251	\$158

Sources: Corps of Engineers Financial Management System, All Items Report for PMCON and All Items Report for PMNCN, October 1, 2007; USAID, *Activities Report* (10/15/2007).

Note: This list is produced by compiling contract-level obligation data provided by GRD and USAID only.

TABLE 2.21

## OTHER U.S. RELIEF AND RECONSTRUCTION FUNDS

In addition to the four main funding streams, the Congress appropriated more than \$5.012 billion for 28 other Iraq reconstruction activities. This section highlights funding for the largest of those activities:

- DoS Bureau of International Narcotics and Law Enforcement Affairs (INL)
- Migration and Refugee Assistance Fund
- Iraq Freedom Fund

### INL

INL operates in many locations around the world, supporting programs in counter-narcotics, civilian police training, human trafficking, rule of law, and other areas related to international crime.<sup>105</sup> It began receiving funds for use in Iraq in 2003. INL carries out its mission in Iraq primarily through the use of contractors.

To date, INL has received more than \$2.5 billion from the IRRF, ISFF, and transfers from DoD, as well as \$261 million appropriated directly from the Congress.

### FUNDING USES

In Iraq, INL funds several activities in support of the civilian police, corrections, and the rule of law. For the status of INL funding, see Figure 2.19. Figure 2.20 is a flowchart from SIGIR, the “Fact Sheet on Sources and Uses of U.S. Funding Provided in Fiscal Year 2006 for Iraq Relief and Reconstruction,” released on July 27, 2007, showing the INL funding process.

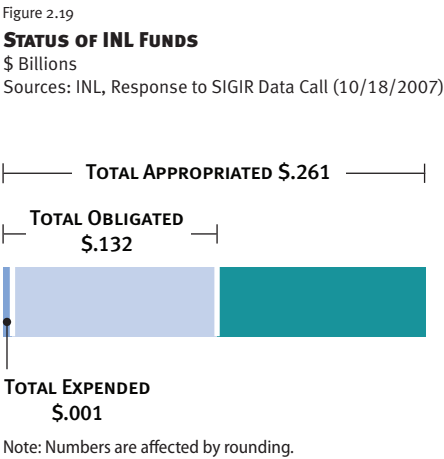
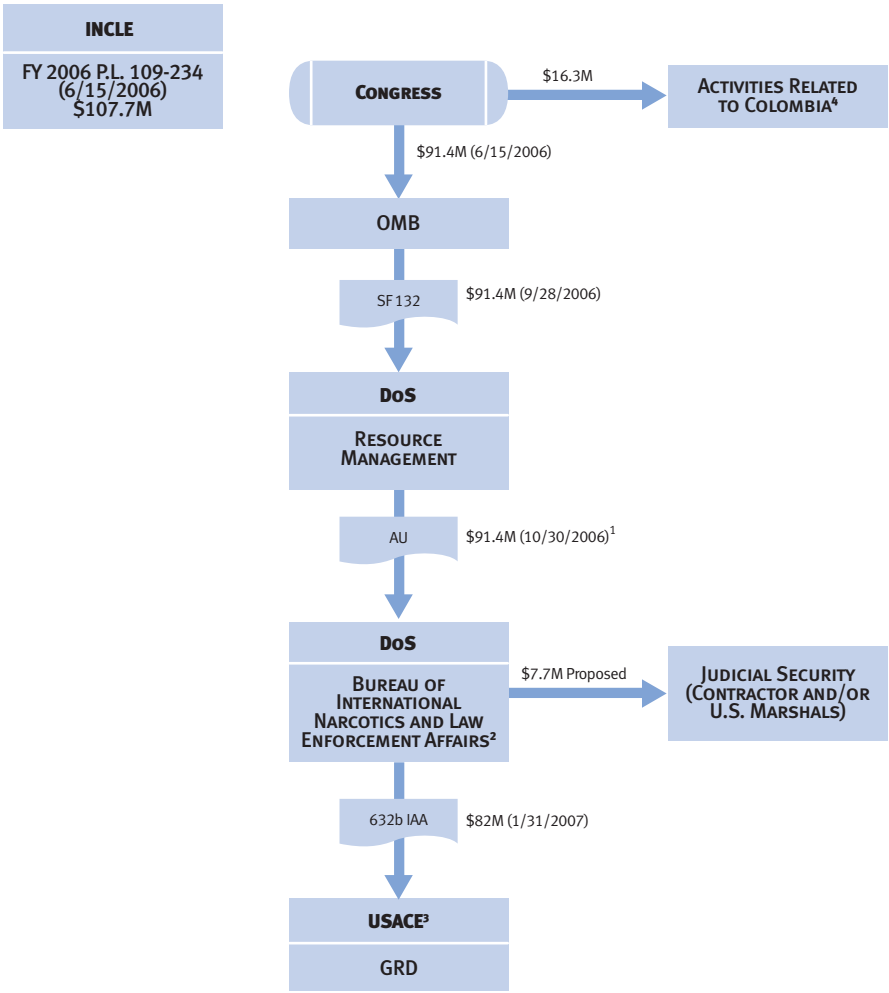


Figure 2.20

**FLOW OF INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT (INCLE), P.L. 109-234**  
Sources: DoS Bureau of International Narcotics and Law Enforcement Affairs and Bureau of Resource Management, Office of Management and Budget, and P.L. 109-234



AU Allotment Agency  
IAA Interagency Agreement  
M Million  
SF 132 Apportionment and Reapportionment Schedule

Notes:  
1. Dates presented are the initial transmittal dates of funds apportioned or allotted for each action and do not necessarily represent an action for the total amount of funds.  
2. \$1.7M for Bureau program support costs.  
3. Funds have been obligated, as of May 23, 2007.  
4. These funds were rescinded.

### Police

Civilian police training programs in Iraq are run by the Civilian Police Assistance Training Team (CPATT), which was established in 2004<sup>106</sup> to “man, train, and equip the Iraqi Civilian Security Force.”<sup>107</sup> INL received more than \$2.3 billion from the IRRF, DoD, and ISFF for these initiatives.<sup>108</sup> DoD transferred about \$1.4 billion to INL to assist in the effort, particularly to provide police advisors.<sup>109</sup>

INL was originally tasked with supplying 690 International Police Liaison Officers, 192 International Police Trainers, and 143 Border Enforcement Advisors for the effort.<sup>110</sup> The number of requested Border Enforcement Advisors has since been reduced to 70.<sup>111</sup> For an expanded discussion of this program, see the Iraq Security Forces Fund section in this Report.

This quarter, SIGIR issued an interim review of INL’s contract with DynCorp for police training. SIGIR has not completed its review because INL did not have the information and documentation needed to identify what DynCorp provided under the contract and how it spent the money. Similar problems were identified in a July 2007 DoS OIG report and in a January 2007 report issued jointly by SIGIR and the DoS OIG.

INL has undertaken a number of improvement initiatives, and SIGIR temporarily suspended its work to give INL the time needed to implement them. In the meantime, SIGIR recommends that INL develop a coordinated and comprehensive corrective-action plan approved by the Assistant Secretary, INL.

### Corrections

The INL’s prison construction effort is a part of the corrections program. It chiefly aims to build high-security facilities for post-conviction prisoners but is also involved in building limited detention facilities for pre-trial detainees.<sup>112</sup>

INL has received more than \$203 million for corrections work in Iraq since 2003—approximately \$82 million appropriated directly to the construction effort.<sup>113</sup>

INL entered into an interagency agreement with USACE-GRD to construct and renovate prison facilities.<sup>114</sup> The work includes projects in Nassriya (Phase II), Chamchamal,<sup>115</sup> and Fort Suse.<sup>116</sup>

### Rule of Law

Since 2003, approximately \$300 million has been provided to support rule-of-law programs, \$137 million of which was appropriated directly to INL; INL has obligated \$26.6 million of this amount.<sup>117</sup>

The U.S. rule-of-law program also works to develop Iraq’s judicial capacity by providing security for judges, training judicial staff, and engaging Iraqi lawyers in professional capacity-building activities.<sup>118</sup> In a program managed by the U.S. Marshals Service, INL is providing secure housing for 40 judges and their families.<sup>119</sup>

Small and unarmed security details<sup>120</sup> and frequent travels to corrections facilities<sup>121</sup> contribute to judicial vulnerability. Since 2003, 33 judges—22 of them in Baghdad<sup>122</sup>—and 30 judicial bodyguards have been killed.<sup>123</sup>

The Inspector General met with judges in August during his trip to Iraq and learned that judicial bodyguards cannot get the Ministry of Interior to issue them permits for weapons. A senior judge in Baghdad reported to the IG that this greatly increases the vulnerability of all judges to intimidation and attack.

The problem of judicial security began to be addressed in April 2006, when Iraq's Chief Judge signed an order establishing the Judicial Protection Service (JPS) to improve judicial security. INL and the U.S. Marshals Service are helping create the JPS, which is modeled in part after the Marshals Service.<sup>124</sup> Although the Higher Judicial Council requested authorization to hire candidates for training in July 2007, it is still waiting for GOI approval.<sup>125</sup> An INL manager is finalizing a Statement of Work for bids to assist with policy development, construction of a training facility, and to train 1,000 Iraqis under the program.

INL has provided \$1.2 million through an interagency agreement with the Marshals Service to train 120 leadership officials in the United States.<sup>126</sup> INL plans to fund an additional \$10.8 million to establish a temporary training facility and to train JPS officers in Iraq.<sup>127</sup>

The United States and the GOI are taking steps to improve judicial infrastructure as part of the rule-of-law judicial security initiative.<sup>128</sup> Currently, there are 93 courthouses in Iraq. INL, through a partnership with the U.S. Marshals Service, plans to provide \$2.9 million in security upgrades to courthouses in Basrah, Mosul, Ba'quba, and Kirkuk.<sup>129</sup>

### **Detainees**

Iraqi detainee management remains a complicated issue confronting the rule-of-law community in Iraq. Facilities are overcrowded,<sup>130</sup> abuse is a problem,<sup>131</sup> and the juvenile population in the system has increased disproportionately.<sup>132</sup>

The United States and Iraq are taking steps to address these challenges, including building additional detention compounds, increasing the number of judges and judicial panels, tracking detainees,<sup>133</sup> and establishing an overarching Iraqi plan to improve detainee management.<sup>134</sup>

Although maintaining an accurate list of detainees has been difficult. On August 25, 2007, Iraq's Chief Judge ordered the Ministries of Interior, Defense, and Justice to develop a list of all detainees (along with the arrest date, penal code, and originating institution that charged them) in their custody.<sup>135</sup>

On September 20, 2007, Iraq's Prime Minister signed a plan to improve detainee conditions and processing. The plan, which was drafted and signed by the President/Chief Judge of Iraq's Higher Judicial Council, the Iraqi National Security Advisor, and the Deputy Prime Minister, provided 30 recommendations for the legal sector, the judiciary, and other ministry functions.<sup>136</sup> The plan was crafted from recommendations presented to the signing parties by the Embassy Rule of Law Coordinator and U.S. Embassy staff.<sup>137</sup> Table 2.22 briefly outlines the plan.



## IRAQI DETAINEE PLAN, SIGNED SEPTEMBER 20, 2007

SECTOR RESPONSIBILITIES	MAIN TOPICS
Legal 15 Recommendations	<ul style="list-style-type: none"> <li>• Develop a comprehensive detainee list by the Ministries of Justice, Interior, Defense, and Labor and Social Affairs by September 1, 2007.</li> <li>• Classify detainees by criminal, terrorist, or organized crimes, and juveniles must be separated from adults.</li> <li>• Activate the Rule of Law and Detention Follow-up Committee, which is directed to hold weekly meetings and submit monthly reports.</li> <li>• Provide adequate living conditions for detainees that will be reviewed by inspectors. All human rights violators are required to be punished.</li> <li>• Prohibit arrests without warrants; except for witnessed crimes or “public outbursts/ strikes.”</li> <li>• Task the Ministry of Labor and Social Affairs with keeping and developing reports on juvenile detainees.</li> <li>• Promptly release detainees within 48 hours of judicial order verification.</li> <li>• Prohibit investigators from attending judicial investigations in the presence of the detainee.</li> <li>• Provide sick detainees with medical care at assigned clinics.</li> </ul>
Judiciary 8 Recommendations	<ul style="list-style-type: none"> <li>• Need for defense lawyers to be present at trials.</li> <li>• Need for overtime work, if necessary, to complete cases.</li> <li>• Activate and possibly increase the number of judicial panels.</li> <li>• Improve coordination with the Ministry of Interior to expedite investigations or trials.</li> <li>• Train both judicial and police investigators to improve their skills.</li> <li>• Give “special interest and care” to cases involving senior citizens and juveniles.</li> </ul>
Other Ministries 7 Recommendations	<ul style="list-style-type: none"> <li>• Organize committees to oversee detainee management and reintegration into society.</li> <li>• Task the Ministries of Interior, Labor and Social Affairs, and Justice with improving detainee living conditions.</li> <li>• Task the Ministry of Health with providing medical and mental health screening.</li> <li>• Create a central office in the Ministry of Justice to track detainee information.</li> <li>• Work to complete cases of detainees held by the Multi-National Force-Iraq (MNF-I).</li> <li>• Develop a reeducation curriculum for detainees.</li> <li>• Assess the possibility of a special amnesty program, except for those accused of terrorist, organized, or integrity crimes.</li> </ul>

Source: GOI, “Plan: Dealing with the Problems of the Detainees,” September 20, 2007.

TABLE 2.22

Migration and Refugee Assistance

Established in 1962, the Migration and Refugee Assistance Fund provides U.S. support to international aid organizations.<sup>138</sup> The fund assists Iraqis as part of its aid to refugees around the world.<sup>139</sup>

On May 25, 2007, P.L. 110-28 allocated \$45 million to fund Migration and Refugee Assistance in Iraq.<sup>140</sup> This \$45 million is in addition to a \$20 million appropriation through the 2007 Foreign Assistance Continuing Resolution and \$14.4 million from the IRRF funds to aid Iraqi refugees in Jordan, Syria, and Lebanon.<sup>141</sup> These funds will provide refugee healthcare, education, shelter support, and relief commodities.<sup>142</sup> For more information about refugee assistance this quarter, see the Refugees, IDPs, and Human Rights section of this Report. Table 2.23 shows recent allocations to the Migration and Refugee Assistance Fund for use in Iraq.

Iraq Freedom Fund

On April 16, 2003, the Congress created the Iraq Freedom Fund (IFF) through P.L. 108-11, which provided \$15.6 billion of support for the Global War on Terror. GAO defines the IFF as “a special account providing funds for additional expenses for ongoing military operations in Iraq and those operations authorized by P.L. 107-40.”<sup>143</sup>

On May 25, 2007, P.L. 110-28 appropriated over \$355 million for the IFF. Of this amount, \$150 million has been designated for reconstruction efforts.<sup>144</sup> Of this \$150 million, \$100 million was assigned to Provincial Reconstruction Teams, and \$50 million was allocated for the Task Force To Improve Business and Stability Operations (TF-BSO). As of October 8, 2007, \$37 million of the TF-BSO funds had been obligated.<sup>145</sup> For more information on PRTs and TF-BSO, see the PRT and Economic Development sections in this Report.

MIGRATION AND REFUGEE ASSISTANCE FUND WITHIN IRAQ

FISCAL YEAR	AMOUNT (IN MILLIONS)	FUND ORIGINS
FY 2004	\$105.0	IRRF
FY 2005	\$54.0	IRRF
FY 2006	\$27.0	IRRF
FY 2007	\$45.0	P.L. 110-28
FY 2007	\$8.6	Reallocation of Funds
FY 2007	\$14.4	Reallocation of Funds
FY 2007	\$20.0	2007 Foreign Assistance Continuing Resolution

Sources:  
FY 2004, 2005, 2006: DoS, *Section 2207 Report*, July 2006, p. I-115; DoS, *Section 2207 Report*, October 2006, p. I-104. FY 2007 \$45: P.L. 110-28 Conference Report, Report 110-107, April 24, 2007, p. 206, accessed at [www.thomas.gov](http://www.thomas.gov), October 17, 2007; FY 2007 \$8.6: DoS, *Section 2207 Report*, April 2007, p. I-86. FY 2007 \$14.4: DoS, *Section 2207 Report*, July 2007. FY 2007 \$20: OMB, response to SIGIR data call, September 26, 2007.

TABLE 2.23